

The State

The State

Theory and Praxis

Kevin A. Carson
Center for a Stateless Society

Center for a Stateless Society

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Preface

Like virtually every book I've written since *Mutualist Political Economy*, this is an expanded treatment of a topic I dealt with in passing in my previous book. Writing the section on engagement with the state in *Exodus* left me wanting to write a lot more, especially considering how prominently the issues in that section figured in intra-Left debates in the 2016 and 2020 U.S. election cycles.

Just about everything I've written from 2010 on, this book involves some aspect of post-capitalist transition. And while *Homebrew Industrial Revolution* and all the books since were meant to be timely and influential (at least as influential as realistically possible), this is more true of *The State* than any of the others.

I wrote *Desktop Regulatory State* in the heady atmosphere of Occupy and other movements of the 2011 cycle, and that momentum sustained me through the beginning of *Exodus*. But the Left has lost much, if not most, of its dominant position in networked resistance since then. GamerGate and its alt right offshoots on social media were the beginning of an upsurge in memetic warfare by the Right. For the last six years the United States has existed under the shadow of fascism; each election brings another chorus of pundits asking whether this will be our last. A substantial minority of the public lives in the alternate reality defined by QAnon, and “election theft” and anti-vaccine conspiracism, and right-wing paramilitaries are in the streets on levels reminiscent of Weimar Germany.

So the whole question of playing to win is, perhaps, more urgent now than when my previous books went into print. It would be presumptuous of me to think this book might have a significant effect on the world; but I hope whatever effect it does have is for the good.

Thanks to all I have engaged with online and in the media, on all sides, who helped me develop the arguments in this book. There were many times when I could have been more civil or charitable, but I hope my framing of the debates here is accepted as in good faith.

And as always, thanks to my dear friend Gary Chartier for his work in formatting this book for publication.

Origin and History of the State

At the outset of his magisterial four-volume metahistory, *The Sources of Social Power*, Michael Mann divides “evolutionary” theories of the state’s origin—i.e., theories which argue that “the transition to settled agriculture and herding heralded a slow, prolonged, connected growth in stratification and the state”—into four broad categories: “liberal, functionalist, Marxist, and militarist.”

Rightly, they see as connected the two most important and baffling questions: (1) How did some acquire permanent power over the material life chances of others, giving them the capacity to acquire property that potentially denied subsistence to others? (2) How did social authority become permanently lodged in centralized, monopolistic, coercive powers in territorially defined states?

The nub of these issues is the distinction between authority and power. The evolutionary theories offer plausible theories of the growth of authority. But they cannot explain satisfactorily how authority was converted into power that could be used *either* coercively against the people who granted authority in the first place *or* to deprive people of the rights of material subsistence. Indeed, we shall see that these conversions did not happen in prehistory. There were *no* general origins of the state and stratification. It is a false issue.

Liberal and functional theories argue that stratification and states embody rational social cooperation, and so were originally constituted in a kind of “social contract.” Liberal theory sees these interest groups as individuals with livelihoods and private-property rights. Thus private property preceded and determined state formation. Functional theories are more varied. I consider only the functionalism of economic anthropologists, with their emphasis on the “redistributive chiefdom.” Marxists argue that states strengthen class exploitation and thus were constituted by the first property classes. Like liberalism, Marxist theory argues that private-property power preceded and determined state formation, but orthodox Marxism goes farther back and claims that in turn private property emerged out of originally communistic property. Finally, militarist theory argues that states and pronounced social stratification originated in conquest and the requirements of military attack and defense.¹

Mann uses Locke as a stand-in for the liberal category. According to the liberal account, the state arose to serve the needs of a preexisting civil society.

Hobbes and Locke provided a conjectural history of the state in which loose associations of people voluntarily constituted a state for their mutual protection. The main functions of their state were judicial and repressive, the maintenance of domestic order; but they saw this in rather economic terms. The chief aims of the state were the protection of life and individual private property.²

Writing of the four categories of theory in general, Mann observes they “were originally advanced when writers had little empirical evidence. Nowadays we have a wealth of archaeological and anthropological studies of early and primitive states, ancient and modern, all over the world.”

¹Michael Mann, *The Sources of Social Power: Volume 1—A History of Power From the Beginning to A.D. 1750* (Cambridge, New York, Melbourne, Madrid, Cape Town, Singapore, Sao Paulo: Cambridge University Press, 1986), pp. 49–50.

²*Ibid.*, p. 51.

This new body of evidence forces a harsh assessment of the theories—especially liberalism's "reliance on the supposed importance of individual property in early societies."

I start with the weakest part of liberal theory—its tendency to locate social inequality in differences between individuals. Whatever the precise origins of stratification, they are social processes. Original stratification had little to do with the genetic endowment of individuals. Nor had any subsequent social stratification. The range of difference in the genetic attributes of individuals is not great, and it is not cumulatively inherited. If societies were ruled by human reasoning powers, they would be almost egalitarian in structure.

Far greater inequalities are found in nature, for example, between fertile and barren land. Possession of these differential resources will lead to greater power differences. If we combine chance occupation of land of varying qualities with different capacities for hard and skillful work, we arrive at the traditional liberal theory of the origins of stratification, found especially in the work of Locke. [I]n Mesopotamia chance occupancy of relatively fertile land may have been relevant. Also, perhaps a little support for Locke's emphasis on differences in diligence, industriousness, and thrift could be inferred from the evidence on gatherer-hunters. After all, if some of them did work eight hours instead of four they would have been rich in surplus (or double in population!). But things are not that simple. As studies of gatherer-hunters show, everyone in the group is entitled to share in unexpected surpluses, however produced. Thrift does not bring its bourgeois reward!¹

Far from arising naturally, individual private property in land is quite difficult to institute given the nature of production. The force multipliers that result from social labor and cooperation matter more to productivity than individual effort, and even if a community willingly enforces household claims to small plots of land this is unlikely to result in any form of property beyond near-universal small proprietorship. And even when differential success does result in some kind of patronage of unsuccessful hangers-on, it's more likely to take the form of some form of stratification *within* a framework of common village, clan, etc. ownership with higher-status individuals exercising greater degrees of enjoyment of the group's property.²

Nevertheless, Mann argues, the liberal and Marxist emphases on private property can be tweaked to be more viable.

Liberal and Marxian views greatly overstate the salience of private property in early societies. But both can be modified to take account of this. Marxism's essence is not private property but *decentralized* property: The state emerges to institutionalize ways of extracting surplus labor already present in civil society. This can be easily transferred to clan- and lineage-based forms of appropriation, whereby one clan or lineage, or the elders or aristocracy in it, appropriates the labor of others.... This model dates significant differences in economic power (what it calls "stratification" or "classes") well before the emergence of the state, and it explains the latter in terms of the needs of the former

....

Now it is true that a time lag exists between the emergence of authority differentials and the territorial, centralized state. States emerged out of associations of clans and lineages, in which an authority division between the clan, lineage, and village elite and the rest was evident. I called them rank, not stratified, societies, however, because they did not embody clear coercive rights or the ability to expropriate. In particular, their higher ranks were productive. Even chiefs produced or herded, combining manual and managerial economic functions. They had particular difficulty in persuading or coercing others to work for them....

Liberalism gives a functional explanation in terms of common economic benefits introduced by the state. If we drop the notion of private property, but retain the functional and the economic principles, we arrive at the dominant explanation offered by contemporary anthropology, the *redistributive chieftdom*, a clearly *functional* theory.³

In these theories, the authority of redistributive chiefs or other personages gradually became more statelike. As division of labor and geographical specialization increased, and generalized exchange replaced simple or reciprocal exchange, the leaders of rank-based societies took on growing power over the exchange process.

¹Ibid., p. 58.

²Ibid., pp. 51-53.

³Ibid., pp. 59-60.

Either the powerful kin leader lays down rules governing exchange or he makes gifts that create reciprocal obligations, brings in a following, and creates a large storehouse out of his dwelling. That storehouse is the location of the redistributive chiefdom and the state. Redistribution . . . is merely a highly organized version of kinship-rank reciprocity.¹

Unfortunately, Mann argues, the evidence does not bear out this theory of state formation, and it reflects ahistorical notions of exchange.

The main problem is that the notion of redistribution is highly colored by experience of our own modern economy . . . [W]hereas the modern economy involves systematic exchange of specialized subsistence goods, most primitive economies did not.... In Polynesia or prehistoric Europe exchanges were between groups who were not highly specialized. Generally they produced similar goods. The exchange was not fundamental to their economy. Sometimes they were exchanging similar goods for ritual purposes. Where they exchanged different, specialized goods these were not usually essential to subsistence, nor were they redistributed for individual consumption among the exchanging chiefs' peoples. More frequently they were used for personal adornment by the chiefs or they were stored and consumed collectively at festive, ritual occasions. They were "prestige," rather than subsistence, goods: Their display brought prestige to their distributor. Chiefs, elders, and big-men vied in personal display and public feasts, "spending" their resources rather than investing them to produce further power resources and power concentration. It is difficult to see how long-term concentration of power would develop from this rather than short cyclical bursts of concentration, followed by overreaching and dispersal of power among rivals, before another cycle was started. After all, the people had an escape route. If one chief became overweening, they could switch allegiance to another. And this is true even in the few cases where we find genuine, specialized ecological niches and exchanges of subsistence produce. If the form of "society" that precedes the state is not unitary, why should the people develop only one storehouse rather than several competing ones? *How do the people lose control?*

These doubts are reinforced by the archaeological evidence. Archaeologists also find ecological niches to be the exception rather than the rule.... Over the landmass of prehistoric Europe, for example, we find few traces of storehouses. We find many burial chambers indicating a chiefly rank, because strewn with costly prestige goods—for example, amber, copper, and battle axes from the mid fourth millennium. In the same societies we dig up indications of great feasts, for example, the bones of a great number of pigs seemingly slaughtered at once. This evidence parallels the anthropological. The redistributive chiefdom was feebler than suggested by its first proponents, a characteristic of rank, not stratified societies.²

In functionalist theories, chiefs, headmen, or elders originally possessed only status or prestige, and the resulting limited authority they had was insufficient to deprive anyone of valuable resources or arbitrarily deprive anyone of resources necessary for bare subsistence. They could resolve conflicts with the consensus of the social unit, but could not unilaterally impose their will on anyone or make binding laws; they might distribute new wealth within the group, but were unable to enrich themselves with it. Their power was entirely functional, within the bounds of a role, and not personal. The theory is left with the task of explaining how this form of authority eventually evolved into the kind that enabled its possessors to impose their will on others and benefit at their expense—it just pushes off into the future the problem of how genuine power was imposed.³

Militarist theories, on the other hand, solve the problem by hypothesizing that genuine coercive power was imposed by conquest. "Group A subjugates group B and expropriates its property. It hands back to group B a return to labor, perhaps leasehold or serfdom rights, perhaps only slavery."⁴ The most famous proponent of the conquest theory was Franz Oppenheimer.

In contradistinction to theories of the "hydraulic state," conquest theory sees peaceful and productive activities like irrigation management, not as laying the bureaucratic ground-

¹*Ibid.*, p. 60.

²*Ibid.*, pp. 61-62.

³*Ibid.*, p. 53.

⁴*Ibid.*, p. 53.

work for what eventually evolves into the state, but the result of pre-existing states diversifying into such peaceful activities *after* the conquest.

In this refined model, military conquest settles down into a centralized state. Military force is disguised as monopolistic laws and norms administered by a state. Though the origins of the state lie merely in military force, it subsequently develops its own powers.¹

But Mann challenges this scenario on grounds of plausibility. The bulk of anthropological literature, as well as extant historical records, indicates that the life-ways of nomadic or pastoral peoples are deliberately structured to prevent the emergence of centralized authority.

Granted [Herbert] Spencer's argument that battlefield and campaign coordination require central power, how does the military leadership keep its power afterward? Anthropologists tell us that primitive societies are actually well aware of what might follow and they take deliberate steps to avoid it. They are "assertively egalitarian," as Woodburn says. The powers of war chiefs are limited in time and scope, precisely so that military authority will not become institutionalized. Clastres describes the tragedies of two war chiefs, one the famous Apache Geronimo, the other the Amazonian Fousive. Neither warrior, brave, resourceful, and daring as he was, could maintain his wartime preeminence during peacetime. He could have exercised permanent authority by leading perpetual war parties, but his people soon tired of war and abandoned him—Fousive to death in battle, Geronimo to write his memoirs.²

But conquest and specialized territorial defense are not generally found among primitive peoples. They presuppose considerable social organization, on the part of the conquerors, and also usually among the conquered. Conquest involves exploiting a stable, settled community using either its, or the conquerors', own organizational structures. Thus Spencer's model seems appropriate after the initial emergence of the state and social stratification, with far more organizational resources than those available to war leaders like Geronimo or Fousive.³

Further, out of a sample of twenty-one early states from one study, Mann finds only about a quarter resulting from actual conquest, and a majority in which military power was "an important contributory factor."

But this route presupposes a high degree of "almost-statelike" collective powers, with conquest or long-term defense adding only a final touch. How did they get that far?⁴

Another study of states emerging in East Africa in more recent times finds the pressures of outside military threats contributing to state formation—but only by promoting the coalescence and hardening of more egalitarian pre-existing structures into a more statelike character.

[Lucy] Mair shows how relatively centralized authorities emerged out of a welter of federal crosscutting relationships between villages, lineages, clans, and tribes, characteristic of prestate human groups. As the surplus of the herders grew and their investment became more concentrated in herds, so did their vulnerability to loose federations of raiders. Thus, those who could best offer protection were often submitted to more or less voluntarily. This was not submission to a foreign conqueror or to a specialized group of warriors from one's own society, but to the authority figure of some collectivity to which the submissive group already had kin or territorial connections.⁵

Finally, the Marxist theory of the origin of the state—like the liberal view—treats it as arising to serve preexisting economic interests in civil society.⁶ But Mann's arguments above, about the failure of the historical and archaeological evidence to bear out a functional transition from rank-based redistributive leadership to proto-states, apply to Marxism as well as to liberalism.

¹*Ibid.*, pp. 54-55.

²*Ibid.*, p. 56.

³*Ibid.*, p. 57.

⁴*Ibid.*, p. 57.

⁵*Ibid.*, p. 58.

⁶*Ibid.*, p. 59.

Mann, summing up, concludes that none of the four evolutionary theories explains the gap between rank-based and state societies. "Between rank and stratified societies, and between political authority and the coercive state, is an unexplained void." There is no explanatory mechanism for how we get from one point to the other, and bridge the gap, that stands up in the face of evidence.

[Fried, Friedman and Rowlands, and Haas] introduce the distinction between "relative rank" and "absolute rank." Absolute rank can be measured in terms of distance (usually genealogical distance) from absolute, fixed points, the central chief and through him, the gods. When ceremonial centers appear, absolute rank has also appeared, they say. But they produce no good arguments as to how ceremonial centers become permanent, how relative rank can be *permanently* converted into absolute rank, and thence *permanently, against resistance*, into stratification and the state. The unexplained void still exists....

What we have puzzled over is how the people were constrained to submit to coercive state power. They would freely give collective, representative authority, to chiefs, elders, and bigmen for purposes ranging from judicial regulation to warfare to feast organization. Chiefs could thence derive considerable rank prestige. But they could not convert that into permanent, coercive power. Archaeology enables us to see that this was, indeed, the case. There was no swift or steady evolution from rank authority to state power. Such a transition was rare, confined to a very few, unusual cases.¹

State-formation took place in only a small number of unusual circumstances, that can be counted—at most—on the fingers of both hands. Everywhere else, Mann argues in a passage that anticipates both James Scott and David Graeber, societies seemed to have anticipated the rise of hierarchy full-blown authority relations and taken measures to forestall the threat.

...[T]his constructed history [of two millennia] is *not* one of the evolution of social stratification or the state. Development was not from egalitarian to rank to stratified societies or from equality to political authority to coercive state power. Movement "back" from the second "stage" to the first was as frequent as from first to second, and indeed the third stage, if reached at all, was not long stabilized and institutionalized before collapsing....

...Most of the prehistory of society saw no sustained movement toward stratification or the state. Movement toward rank and political authority seems endemic but reversible. Beyond that, nothing sustained.

But we can go farther to identify the cause of the blockage. If most societies have been cages, the doors have been left unlocked for two main actors. First, the people have possessed freedoms. They have rarely given away powers to elites that they could not recover; and when they have, they have had opportunity, or been pressured, to move away physically from that sphere of power. Second, elites have rarely been unitary: Elders, lineage heads, bigmen, and chiefs have possessed overlapping, competitive authorities, viewed one another suspiciously, and exercised those same two freedoms.

Hence there have been two cycles. Egalitarian peoples can increase intensity of interaction and population density to form large villages with centralized, permanent authority. But they stay broadly democratic. If the authority figures become overmighty, they are deposed. If they have acquired resources such that they cannot be deposed, the people turn their backs on them, find other authorities, or decentralize into smaller familial settlements. Later, centralization may begin again, with the same outcomes. The second pattern involves more extensive, but less intensive, cooperation in extended lineage structures, typically producing the chiefdom rather than the village. But here, too, allegiance is voluntary, and if the chief abuses this, he is resisted by the people and rival chiefs....

Thus stabilized, permanent, coercive states and stratification systems did not generally emerge.... The chief can exploit his functionality. The most successful can make despotic claims. They can even acquire surplus to pay armed retainers. This happened in East Africa, and it must have happened countless times in the prehistory of society in all continents.

But what is not general is the despot's ability to institutionalize coercive power, to make it permanent, routine, and independent of his personality. The weak link is that between the king together with his retainers and kinsmen on the one hand and the rest of society on the other. The link is dependent on the personal strength of the monarch. There are no stabilized institutions routinely

¹Ibid., pp. 62-63.

transferring it to a successor. Such succession rarely occurs, and almost never beyond a couple of generations.¹

In short, the most powerful rank-based leaders—exemplified by Shaka and Geronimo in historical times—“did not found states or stratification systems. They lacked sufficient caging resources.” In the tiny handful of areas around the world where such resources *did* develop, “this was the result of local sets of circumstances. *No general social evolution occurred beyond the rank societies of early, settled neolithic societies.*”²

So the emergence of urban civilizations and states from rank societies was not a standard or typical phenomenon. It only happened in a handful of anomalous cases. But Mann observes that the small number of cases, out of the countless societies in which the state form did *not* emerge, seem to have shared a pattern in common—namely alluvial agriculture.³ Almost all the cases

arose in river valleys and practiced *alluvial agriculture*. In fact, most went farther, artificially *irrigating* their valley land with flood water. In contrast to prehistory, in which development occurred in all manner of ecological and economic situations, history and civilization might seem a product of one particular situation: alluvial and perhaps also irrigation agriculture.⁴

But alluvial agriculture was not the actual cause, at least not directly. These few anomalous cases were also characterized by their deviation from the general rule by which other peoples had been able to consciously head off state formation. “The decisive feature of these ecologies and of human reactions to them was *the closing of the escape route*. Their local inhabitants, unlike those in the rest of the globe, were constrained to accept civilization, social stratification, and the state.”

Therefore, the key to the role of irrigation may be found in considerable intensification of the insulating or caging forces present in prehistory. These caging forces must occupy the causal role in our explanation, not the alluvium or irrigation itself, which was merely their usual form or indicator in this historical epoch.⁵

Alluvial agriculture and irrigation resulted in a dense overlap of various social networks over an extensive geographical area, which in turn served as a forcing ground for the states. Mann’s model

suggests that civilization, stratification, and the state emerged as the result of the impetus given by alluvial agriculture to diverse, overlapping networks of social interaction present in the region surrounding it. This encouraged further caging interaction between alluvium and hinterlands, leading to intensification of civilization, stratification, and the state—now, however, intensified as overlapping *power* networks, embodying permanent, coercive power.⁶

...As soon as improvements began, the inhabitants were territorially caged. Fixed pieces of land provided the fertile soil; no other would do outside the river valley. This was unlike the dominant slash-and-burn agriculture of the prehistorical period, where far greater necessity and possibility for movement existed....

Territory also kept people caged because it coincided with substantial labor investment to secure a surplus—a *social cage*. To irrigate was to invest in cooperative labor with others, to build artifices fixed for many years. It produced a large surplus, shared among the participants, tied to this particular investment and artifice. The use of large labor forces (of hundreds rather than thousands) was occasional but regular and seasonal. Centralized authority would also be useful to manage such irrigation schemes. Territory, community, and hierarchy were coinciding in irrigation more than they did in either rain-watered agriculture or herding.⁷

¹*Ibid.*, pp. 67-68.

²*Ibid.*, pp. 69-70.

³*Ibid.*, p. 73.

⁴*Ibid.*, p. 74.

⁵*Ibid.*, p. 75.

⁶*Ibid.*, p. 77.

⁷*Ibid.*, p. 80.

In addition, the other ecological niches that surrounded alluvial agriculture—date palms, marshes with fowl, etc.—resulted in a division of labor that integrated larger regions. And the surplus from irrigation spared a share of the population for manufacture, which further increased trade over a larger area.¹

However because of inadequate logistical capabilities for power projection, concentrated state power was initially limited to very small areas, in city-state form.²

As for private property, rather than giving birth to social stratification and the state as per liberal myth, the truth was just the opposite. Since the scale of cooperation required by alluvial agriculture was inconsistent with household land ownership, private property “emerged from a broadly egalitarian village and clan mixture, [and] took the form of extended family, or even clan, property rights rather than individual property rights.”³ In Mesopotamia, for example:

When so much of the preparation and protection of the land is collectively organized, it is difficult for individual or household ownership of the land by peasants to be maintained. Sumerian records after 3000 B.c. divided irrigated land into tracts much larger than could be worked by individual families, unlike the situation in most prehistoric villages. One of their forms was private ownership by an extended-family group. Kin and local tribal relations generated rank-authority irrigation management, and this seems to have eventuated in private-property concentrations.⁴

This model also offers a solution to the contradiction between the militarist school’s claim that the differentiation between a property-owning class and propertyless laborers could not spontaneously emerge within kinship groups because of rights guarantees within such groups, and the lack of much evidence of organized violence during the period in question. The differentiation developed neither within kinship groups, not through intra-group conquest, but as a result of growing economic inequality between kinship groups favorably situated on productive land and surrounding peoples engaged in more marginal occupations. “Dominance by a core over a periphery, with attendant patron-client relations—if the core has exclusive possession of fertile land—may lead to more-or-less voluntary forms of labor subordination.”⁵

Stratification in Mesopotamia steadily increased in the late Fourth Millennium B.C., with legally defined inequalities in access to land emerging after 3000.⁶

The same factors also led to centralized political authority over territories—states, in other words.

Irrigation management played a part. Exchange of produce where the more powerful party’s territory was fixed and strategic for transport meant that the redistributive storehouse or the exchanging marketplace would be centralized. The more resources are centralized, the more they require defense, hence also military centralization. The imbalance between the parties created another centralized political function; for the irrigators would seek more ordered routines of exchange than pastoralists and gatherer-hunters’ own existing social organization could provide. In later history this is called “tribute,” authoritatively regulated exchange, whereby the obligations of both parties are expressed formally and accompanied by rituals of diplomacy. This had fixing consequences for the pastoralists and gatherer-hunters, too: It civilized them. Once contacts become regularized, diffusion of practices occurs. Although settled irrigating agriculturalists like to picture themselves as “civilized” and the others as “barbarians,” there is growing similarity and interdependence. This probably happened laterally across the floodplains as irrigators, wildfowlers, fishers, and even some pastoralists drew closer together.⁷

¹*Ibid.*, p. 81.

²*Ibid.*, p.82.

³*Ibid.*, p. 82.

⁴*Ibid.*, p. 83.

⁵*Ibid.*, p. 84.

⁶*Ibid.*, pp. 84-85.

⁷*Ibid.*, p. 85.

In the Sumerian cities, the specific institution that emerged to exercise a central coordinating role with surrounding villages was the temple.

The importance of the temple was fairly general among the earliest civilizations.... Steward notes that extensive social cooperation in irrigation agriculture was virtually everywhere associated with a strong priesthood in the New World cases as well as the Old World ones. He argues that a relatively egalitarian group engaged in cooperation had unusually strong needs for normative solidarity. Modern scholars resist the religious connotations of the word "priesthood" in Mesopotamia. They regard priests as more secular, more administrative and political, as a diplomatic corps, irrigation managers, and redistributors. Through a process whose details are not known to us, the temple emerges as the first state of history. As irrigation proceeded, more extensive labor cooperation was required. Exactly *what* territorial area was collectively interdependent in hydraulic agriculture is disputed, as we shall see. But flood prevention and control, the building of dams, dikes, and irrigation channels, required, both regularly and during occasional natural crises, *some* degree of delayed-return investment in labor cooperation between villages—say, for example, across a lateral area of floodplain, and along a river length, of a few miles. This was a powerful impetus toward larger political units than the kin group or village. A principal function of the Sumerian temple soon became irrigation management, and it remained so for a thousand years.

These temple states do not seem particularly coercive. It is difficult to be sure, but Jacobsen's view is widely accepted: The first permanent political form was a primitive democracy in which assemblies composed of a large proportion of the free adult males of the town made major decisions. Jacobsen suggested a two-house legislature, an upper house of elders and a lower one of freemen. If this may be a little idealized—for the principal source is later myths—the likely alternative is a loose and rather large oligarchy consisting of the heads of the more important families and, perhaps also, of the territorial wards of the town.

We may tentatively conclude that just before 3000 B.C. these were transitional polities, making that elusive move from rank authority toward stratified state. But the transition occurred first less in the realm of coercion of the ruled by the rulers than in the realm of coercion in the sense of *caging*, the growth of focused, inescapably intense, centralized social relations. The transition to coercion and exploitation was slower; Differences between the leading families and the rest and between freemen and dependent or slave laborers were "absolute-rank" differences. But rank within the leading families seems to have been "relative" and changeable. Rank largely depended on proximity to economic resources, which were themselves changeable. There seems no evidence of ranking in relation to "absolute" genealogical criteria, like supposed proximity to the gods or ancestors. In these ways, the emergence of stratification and the state was slow and uneven.

Nevertheless, the two processes of state and private property growth were connected to, and in the end mutually supportive of, one another.¹

By the 27th century B.C., kingship was beginning to emerge in Sumeria. City-states were larger—Uruk and its surrounding villages approaching 50,000—accompanied by greater division of labor and intensified relations between urban core and rural periphery.

But with intensification came changes. The cities were now surrounded by massive fortified walls. Personages appear who are named *lugal* and reside in large building complexes called *e-gal*—translated as "king" and "palace." They appear in texts alongside new terms for military activities.... Jacobsen conjectured on this basis that kings originated as war leaders, elected for a temporary period by the democratic oligarchic assembly of the city. In a period of conflict and instability, they gained long-term authority because war and fortifications required military organization over a number of years. For a period the *lugal* sometimes existed alongside other figures like the *sanga*, and the *en* or *ensi*, temple officials who combined ritual with administrative roles. Gradually, the king monopolized authority and, though the temple retained some autonomy vis-a-vis the palace, he eventually became also the main initiator of religious ritual....

By 2500 B.C., the dozen or so city-states of which we have evidence seem to have been led by a king with despotic pretensions. In their military struggles, several seem to have attained a temporary hegemony. The militarism culminated in the first major empire, of Sargon of Akkad In short, we enter a distinctive militarist phase. We can reintroduce militarist theories of the origins of the state, discussed in the last chapter, not to explain origins but to assist in the explanation of *further* state development.²

¹*Ibid.*, pp. 86-87.

²*Ibid.*, p. 99.

...War may be endemic, but centralized military command and conquest are not. They presuppose considerable social organization. It seems plausible that an organizational threshold was passed in Mesopotamia some time after 3000 B.C. The raiding party now had the resources to stay in possession of the enemy's storehouse temple, and stably extract surplus and labor services from them.¹

We are also uncertain about the extent of the new military authority/power.... It is difficult, however, to see how a military despotic state could be elevated above society in the continued absence of one crucial resource, a standing army. There was no warrior elite. The army mixed two elements, a "citizen army" of all free, adult males and a "feudal levy" of members of the leading families and their retainers (though these are not terms with Mesopotamian resonance). The *lugal* was probably in origin the primus inter pares of the latter element. He was a rather superior head of a household (as, indeed, was the city god). Kingship legitimated itself in terms of "absolute rank." It introduced a fixed highest point into rank and genealogical measurement out from it. A few later kings did found short-lived dynasties. In these cases, absolute rank was institutionalized. But none claimed divinity or special relationship to past generations, and most were merely strongmen, drawn out of the leading families and dependent upon them. The king could not keep the state's resources to himself. Militarism enhanced not only the *lugal* but also the private-property resources of the leading families. Toward the end of the Early Dynastic period, there were signs of tension between monarchy and aristocracy, with new peripheral elements playing a key role. The last kings were employing lieutenants with Semitic names, indications perhaps that they were attempting to build up their own mercenary force, independent of the leading Sumerian families.²

Mann subsequently examines the other early states and, with the exception of the Andean civilization, finds that they largely replicate the pattern of Sumeria.

Two aspects of social ecology were decisive in the emergence of civilization, stratification, and the state. First, the ecological niche of alluvial agriculture was its core. But, second, this core also implied regional contrasts, and it was the combination of the relatively bounded, caged core and its interactions with various but overlapping regional networks of social interaction that led to further development....

Civilization was an abnormal phenomenon. It involved the state and social stratification, both of which human beings have spent most of their existence avoiding. The conditions under which, on a very few occasions, civilization did develop, therefore, are those that made avoidance no longer possible. The ultimate significance of alluvial agriculture, present in all "pristine" civilizations, was the territorial constraint it offered in a package with a large economic surplus. When it became irrigation agriculture, as it usually did, it also increased social constraint. The population was caged into particular authority relations.

But that was not all. Alluvial and irrigation agriculture also caged surrounding populations, again inseparably from economic opportunity. Trading relations also caged (though usually to a lesser extent) pastoralists, rain-watered agriculturalists, fishermen, miners, and foresters over the whole region. Relations between the groups were also confined to particular trade routes, marketplaces, and stores. The higher the volume of trade, the more territorially and socially fixed these became.³

But why, within those spaces, did contractual authority then turn into coercive power, and inequality into institutionalized private property? The scholarly literature has not been particularly helpful on this point, precisely because it has rarely realized that these transformations have been abnormal in human experience. They are almost always presented in the literature as an essentially "natural" process, which they certainly were not. The most likely route to power and to property, however, was through the interrelations of several overlapping networks of social relations. To begin with, we can apply a loose "core-periphery" model to these relations.

The Mesopotamian developmental pattern contained five main elements. First, possession by one family/residential group of core land or unusual alluvial or irrigatory potential gave it a greater economic surplus than its peripheral alluvial/irrigating neighbors and offered employment to the latter's surplus population. Second, all alluvials and irrigators possessed these same advantages over pastoralists, hunters, gatherers, and rain-watered agriculturalists of the further periphery. Third, trade relations between these groups concentrated on particular communications routes, especially navigable rivers, and on marketplaces and storehouses along them. Possession of these fixed locations gave additional advantages, usually to the same core alluvial/irrigating group. Fourth, the leading economic role of the alluvial/irrigating core was seen also in the growth of manufacturing, artisanal trades, and reexport trade concentrated in the same locations. Fifth, trade further expanded in-

¹*Ibid.*, p. 100.

²*Ibid.*, p. 101.

³*Ibid.*, pp. 123-124.

to the exchange of agricultural plus manufactured goods from the core in return for precious metals from the mountains of the outer periphery. This gave the core disproportionate control over a relatively generalized means of exchange, over “prestige goods” for displaying status, and over the production of tools and weapons.

All five processes tended to reinforce one another, giving disproportionate power resources to the families/residential groups of the core. The various peripheral groups could only turn their back on this power at the cost of foregoing economic benefit. Enough chose not to do this to inaugurate states and stratification of a permanent, institutionalized, and coercive kind.¹

From this starting point, the further expansion of state power was driven more by military power. As multi-state regions like Sumeria gave way to unified territorial empires, the former peripheral areas became imperial marches that often seized imperial control and drove further conquest.² These marches, uplands with rain-watered agriculture whose prosperity grew from trade within the economic sphere of alluvial city-states, possessed military forces and tactics that combined the practices of the latter polities and the nomadic pastoralists further out. It was marcher lords like Sargon of Akkad who tended for the ensuing two millennia to predominate in warfare, and “to found and extend empires.”³

Once established, these larger territorial empires in turn restructured economic networks in their own political interests through “compulsory cooperation.”

According to [Lattimore], in ancient empires there were many small cell-like “economies.” Such cells are indeed visible within Sargon’s conquered empire, covering each of the regional economies recently brought together. The most advanced were the irrigated valleys and floodplains partially organized by redistributive central places (formerly city-states). But between each, and between these and upland areas, ran trade exchanges. These were also partially organized by the former political authorities—in the valleys, the redistributive central place; in the hills, decentralized lords. The conqueror would want to intensify production and exchange relations across his domains. Indeed, to a limited extent, this would occur spontaneously with the growing extent of pacification. The state would also wish to get its hands on any surplus increase that occurred.

Thus, conquerors found themselves driven toward a particular set of postconquest economic relationships, for which we can use the term given by Herbert Spencer, *compulsory cooperation* . . . Under these relationships, the surplus extracted from nature could be increased, the empire could be given a somewhat fragile economic unity, and the state could extract its share of the surplus and maintain its unity. But these benefits flowed *only* as a result of increasing coercion in the economy at large.⁴

The various aspects of this compulsory cooperation, as a model for economic development, included 1) the growth of long-distance trade as the result of pacification along trade routes and pacification of marcher lords; 2) the military’s consumption needs, and the logistical and support infrastructures created to serve it, as sources of spinoffs for the civilian economy; 3) promotion of trade through the establishment common currencies, exchange rates, weights and measures over large areas; 4) more intense surplus extraction through corvée labor for civil engineering projects, servile labor in agriculture, etc. Intensified surplus extraction also resulted from “free” (i.e. hired) labor in cases where institutional and other forms of private property separated rights to the land from those working it; and finally 5) the diffusion, intermingling, or coalescence of particular cultures and life-ways into a larger regional whole.⁵

This, then, was the origin of the state according to Mann. From this point on the narrative shifts to the changing character of the state over time.

Anthropologists James C. Scott and David Graeber have reinforced Mann’s argument in more recent work.

¹*Ibid.*, pp. 124-125.

²*Ibid.*, p. 130 *et seq.*

³*Ibid.*, p. 133.

⁴*Ibid.*, p. 146.

⁵*Ibid.*, pp. 146-152.

James Scott shares Mann's rejection of any "general origins of the state and stratification," or any general evolutionary pattern of state emergence, and proposes a scenario much like Mann's "caging." In *Against the Grain*, he reports that rather than "sedentism and cultivation [leading] directly to state formation," states instead "pop up only long after fixed-field agriculture appears."¹ The first states appear in Mesopotamia only millennia "after the first crop domestications and sedentism."

This massive lag is a problem for those theorists who would naturalize the state form and assume that once crops and sedentism, the technological and demographic requirements, respectively, for state formation were established, states/empires would immediately arise as the logical and most efficient units of political order.²

Contrary to the conventional periodization, large-scale sedentism predated both the predominance of cereal agriculture and the rise of states. Wetland areas, with their abundance and variety of food sources to support a concentrated population in the foraging lifestyle, sometimes became the site of dense settlements on a scale that it's hard to avoid calling cities. Ecologically and economically diversified areas—e.g. the wetlands of Lower Mesopotamia, the Nile Delta, and the Yellow River Delta—despite having sedentary populations in villages and towns, were not sites for the earliest state formation. The first states formed up-river in both Egypt and China. The first states in Mesopotamia, Egypt, the Indus Valley, and Yellow River, were "all grain states—wheat, barley, and, in the case of the Yellow River, millet." The same pattern was later followed with irrigated rice in Southeast Asia, and maize in Meso-America.³

The reason state formation occurred only areas dominated by cereal crops, and not even by leguminous field crops, was legibility—the same concept at the center of Scott's book *The Art of Not Being Governed*.

The key to the nexus between grains and states lies, I believe, in the fact that only the cereal grains can serve as a basis for taxation: visible, divisible, assessable, storable, transportable, and "rationable." Other crops—legumes, tubers, and starch plants—have some of these desirable state-adapted qualities, but none has all of these advantages....

The fact that cereal grains grow above ground and ripen at roughly the same time makes the job of any would-be taxman that much easier. If the army or the tax officials arrive at the right time, they can cut, thresh, and confiscate the entire harvest in one operation. For a hostile army, cereal grains make a scorched-earth policy that much simpler; they can burn the harvest-ready grain fields and reduce the cultivators to flight or starvation. Better yet, a tax collector or enemy can simply wait until the crop has been threshed and stored and confiscate the entire contents of the granary. In practice, in the case of the medieval tithe, the cultivator was expected to assemble the unthreshed grain in sheaves in the field, from which the tithe collector would take every tenth sheaf.

Compare this situation with, say, that of farmers whose staple crops are tubers such as potatoes or cassava/manioc. Such crops ripen in a year but may be safely left in the ground for an additional year or two. They can be dug up as needed and the remainder stored where they grew, underground. If an army or tax collectors want your tubers, they will have to dig them up tuber by tuber, as the farmer does, and then they will have a cartload of potatoes which is far less valuable (either calorically or at the market) than a cartload of wheat, and is also more likely to spoil quickly.⁴

Even the predominance of cereal agriculture, although necessary, is not sufficient. Permanent state formation does not occur so long as there is ungovernable space into which to retreat. It only occurs when, to use Mann's term, populations are "caged" by the lack of alternatives to full-time cereal production. Or as Scott puts it, alluvial cereal agriculture "represented a unique new concentration of manpower, arable land, and nutrition that, if 'cap-

¹James Scott, *Against the Grain: A Deep History of the Earliest States* (New Haven and London: Yale University Press, 2017), xi-xii.

²*Ibid.* pp. 5-7.

³*Ibid.*, p. 128.

⁴*Ibid.*, pp. 129-130.

tured’—‘parasitized’ might not be too strong a word—could be made into a powerful node of political power and privilege.”¹

... [S]tate formation becomes possible only when there are few alternatives to a diet dominated by domesticated grains. So long as subsistence is spread across several food webs, as it is for hunter-gatherers, swidden cultivators, marine foragers, and so on, a state is unlikely to arise, inasmuch as there is no readily assessable and accessible staple to serve as a basis for appropriation. One might imagine that ancient domesticated legumes, say—peas, soybeans, peanuts, or lentils, all of which are nutritious and can be dried for storage—might serve as a tax crop. The obstacle in this case is that most legumes are indeterminate crops that can be picked as long as they grow; they do not have a determinate harvest, something the tax man requires.

Some agro-ecological settings may be considered “preadapted” for concentrating grain fields and population, owing to rich silt and plentiful water, and these areas are in turn possible locations for state making. Such settings are perhaps necessary for early state making, but not sufficient. One could say that the state has an elective affinity for such locations. Contrary to some earlier assumptions, the state did not invent irrigation as a way of concentrating population, let alone crop domestication; both were the achievements of prestate peoples. What the state has often done, once established, however, is to maintain, amplify, and expand the agroecological setting that is the basis of its power by what we might call state landscaping. This has included repairing silted channels, digging new feeder canals, settling war captives on arable land, penalizing subjects who are not cultivating, clearing new fields, forbidding nontaxable subsistence activities such as swiddening and foraging, and trying to prevent the flight of its subjects.

... The early state strives to create a legible, measured, and fairly uniform landscape of taxable grain crops and to hold on this land a large population available for corvee labor, conscription, and, of course, grain production.²

One might be tempted to say that states arise, when they do, in ecologically rich areas. This would be a misunderstanding. What is required is wealth in the form of an appropriable, measurable, dominant grain crop and a population growing it that can be easily administered and mobilized.³

Although alluvial agriculture was the necessary precondition for states, states only appeared when the additional condition was met of sedentary agriculture becoming the only available mode of living.

If state formation depends on the control, maintenance, and expansion of the concentrations of grain and manpower on the alluvium, the question arises of how the early state could have come to dominate these population-and-grain modules. The would-be subjects of this hypothetical state, after all, had direct, unmediated access to water and flood-retreat agriculture as well as a variety of subsistence options beyond cultivation. One convincing explanation for how this cultivating population might have been assembled as state subjects is climate change. [Hans] Nissen shows that the period from at least 3,500 to 2,500 BCE was marked by a steep decline in sea level and a decline in the water volume in the Euphrates. Increasing aridity meant that the rivers shrank back to their main channels and the population increasingly huddled around the remaining watercourses, while soil salinization of water-deprived areas sharply reduced the amount of arable land. In the process, the population became strikingly more concentrated, more “urban.” Irrigation became both more important and more labor intensive—it now often required lifting water and access to dug canals became vital.... Over time a more reticulated canal system dug with corvee or slave labor developed. If Nissen’s scenario of aridity and its demographic consequence of concentration, both of which rest on solid evidence, is accepted, it provides one plausible account of state formation. The shortage of irrigation water confined the population increasingly to well-watered places and eliminated or diminished many of the alternative form of subsistence, such as foraging and hunting....

Not just in Mesopotamia but virtually everywhere, it seems, early state battens itself onto this new source of sustenance. The dense concentration of grain and manpower on the only soils capable of sustaining them in such numbers—alluvial or loess soils—maximized the possibilities of appropriation, stratification, and inequality. The state form colonizes this nucleus as its productive base, scales it up, intensifies it, and occasionally adds infrastructure—such as canals for transport and irrigation—in the interest of fattening and protecting the goose that lays the golden eggs.... It is, of course, only in the context of rich soils and available water that the ecological capacity for the fur-

¹*Ibid.*, p. 117.

²*Ibid.*, pp. 22-23.

³*Ibid.*, p. 24.

ther intensification of agriculture and population growth was possible, and thus it was only in such settings that the first bureaucratic states were likely to arise.¹

David Graeber and David Wengrow, similarly, argue that it was common for neolithic populations to shift back and forth seasonally every year between foraging and sedentary lifestyles—with the contrasting lifestyles having their respective alternating libertarian/communistic and authoritarian/propertarian forms of seasonal social organization. There are, likewise, instances of populations adopting cereal agriculture as the primary form of sustenance for some time, and then deliberately abandoning it, or adopting and then abandoning something that resembles a nascent state.² The so-called “agricultural revolution” was actually a prolonged period—as long as 3000 years—during which local populations of foragers moved in and out of cultivation.³ And the first adoption of cereal crop agriculture appears to have been under circumstances—“flood-retreat farming”—that involved the least labor commitment.⁴

Populations which alternated between such social forms seem to have consciously envisioned the possibility, at least in theory, of a society with a permanent state and social hierarchy, and deliberately designed their societies to prevent such permanent stratification from emerging.⁵

And the thresholds between foraging, horticulture, and agriculture were nowhere near as distinct as portrayed until recently in the dominant school of anthropology. Foraging itself included a large element of selection and cultivation, encouraging particular plants to grow in convenient areas (i.e. by planting nuts and fruit stones). And foraging populations chose their lifestyle despite awareness of the possibility of planting crops for harvest at a fixed location.

Researchers in the 1960s were also beginning to realize that, far from agriculture being some sort of remarkable scientific advance, foragers (who after all tended to be intimately familiar with all aspects of the growing cycles of food plants) were perfectly aware of how one might go about planting and harvesting grains and vegetables. They just didn’t see any reason why they should. ‘Why should we plant,’ one !Kung informant put it … ‘when there are so many mongongo nuts in the world?’ Indeed …, what some prehistorians had assumed to be technical ignorance was really a self-conscious social decision: such foragers had ‘rejected the Neolithic Revolution in order to keep their leisure’.⁶

(Even after the rise of states, many societies seem to have retained some ghostly image of the earlier practice of alternating social forms, reflected in various traditions like Saturnalia, April Fool’s Day, Carnival, etc., which were characterized by feasting and social inversion.⁷ And as both Christopher Hill and James Scott argue, such festivals of social inversion seem in turn to have inspired the lower orders to envision utopian orders in which the inversion was made permanent.⁸)

Even where agriculture did emerge, Graeber and Wengrow argue, it by no means necessarily entailed authoritarian social hierarchies or privatization of land.

Communal tenure, ‘open-field’ principles, periodic redistribution of plots and co-operative management of pasture are not particularly exceptional and were often practised for centuries in the

¹*Ibid.*, pp. 120-122.

²David Graeber and David Wengrow, *The Dawn of Everything: A New History of Humanity* (Farrar, Straus and Giroux, 2021), pp. 149-167. All references are to pagination in pdf conversion of the epub version hosted at Library Genesis <<http://library.lol/main/F567E6E14F95A114FB313F03536A053C>>.

³*Ibid.*, p. 332.

⁴*Ibid.*, p. 333.

⁵*Ibid.*, p. 169.

⁶*Ibid.*, p. 203.

⁷*Ibid.*, pp. 173-176.

⁸Christopher Hill, *The World Turned Upside Down: Radical Ideas During the English Revolution* (Penguin Books, 1972), pp. 16-17; Scott, *Domination and the Art of Resistance: Hidden Transcripts* (New Haven and London: Yale University Press, 1990), pp. 173-174, 181, 184.

same locations. The Russian *mir* is a famous example, but similar systems of land redistribution once existed all over Europe, from the Highlands of Scotland to the Balkans, occasionally into very recent times. The Anglo-Saxon term was *run-rig* or *rundale*. Of course, the rules of redistribution varied from one case to the next—in some, it was made *per stirpes*, in others according to the number of people in a family. Most often, the precise location of each strip was determined by lottery, with each family receiving one strip per land tract of differing quality, so that nobody was obliged to travel much further than anyone else to his fields or to work soil of consistently lower quality.

Of course, it wasn't just in Europe that such things happened. In his 1875 *Lectures on the Early History of Institutions*, Henry Sumner Maine . . . was already discussing cases of periodic land redistribution and *rundale*-type institutions from India to Ireland, noting that almost up until his own day, 'cases were frequent in which the arable land was divided into farms which shifted among the tenant-families periodically, and sometimes annually.' And that in pre-industrial Germany, where land tenure was apportioned between 'mark associations', each tenant would receive lots divided among the three main qualities of soil. Importantly, he notes, these were not so much forms of property as 'modes of occupation', not unlike the rights of access found in many forager groups. We could go on piling up the examples (the Palestinian *mash'a* system, for instance, or Balinese *subak*).

In short, there is simply no reason to assume that the adoption of agriculture in more remote periods also meant the inception of private land ownership, territoriality, or an irreversible departure from forager egalitarianism.¹

They borrow Bookchin's phrase "ecology of freedom" to describe a set of conditions under which human beings could practice agriculture to whatever degree they chose, as part of a mix with other practices, without being irrevocably committed to it.

The ecology of freedom describes the proclivity of human societies to move (freely) in and out of farming; to farm without fully becoming farmers; raise crops and animals without surrendering too much of one's existence to the logistical rigours of agriculture; and retain a food web sufficiently broad as to prevent cultivation from becoming a matter of life and death. It is just this sort of ecological flexibility that tends to be excluded from conventional narratives of world history, which present the planting of a single seed as a point of no return.

Moving freely in and out of farming in this way, or hovering on its threshold, turns out to be something our species has done successfully for a large part of its past. Such fluid ecological arrangements—combining garden cultivation, flood-retreat farming on the margins of lakes or springs, small-scale landscape management (e.g. by burning, pruning and terracing) and the coralling or keeping of animals in semi-wild states, combined with a spectrum of hunting, fishing and collecting activities—were once typical of human societies in many parts of the world. Often these activities were sustained for thousands of years, and not infrequently supported large populations.²

Like Scott, Graeber and Wengrow raise the question of how such societies nevertheless got locked in to an arrangement with a permanent state and class hierarchy.

If human beings, through most of our history, have moved back and forth fluidly between different social arrangements, assembling and dismantling hierarchies on a regular basis, maybe the real question should be 'how did we get stuck?' How did we end up in one single mode?³

They suggest, like Scott and Mann, that societies that had once previously moved freely in and out of statelike forms of social organization, just as they freely took up and abandoned grain agriculture as part of their mix of livelihoods, became permanently stuck with states at the same time they became permanently stuck in agriculture.

It's not clear to what degree many of these 'early states' were themselves largely seasonal phenomena (recall that, at least as far back as the Ice Age, seasonal gatherings could be stages for the performance of something that looks to us a bit like kingship; rulers held court only during certain periods of the year; and some clans or warrior societies were given state-like police powers only during the winter months). Like warfare, the business of government tended to concentrate strongly upon certain times of year: there were months full of building projects, pageants, festivals, census-taking, oaths of allegiance, trials and spectacular executions; and other times when a king's subjects (and sometimes even the king himself) scattered to attend to the more urgent needs of planting, harvesting and pas-

¹Graeber and Wengrow, pp. 354-355.

²Ibid., pp. 367-368.

³Ibid., p. 172.

turage. This doesn't mean these kingdoms weren't real: they were capable of mobilizing, or for that matter killing and maiming, thousands of human beings. It just means that their reality was, in effect, sporadic. They appeared and then dissolved away.

Could it be that, in the same way that play farming—our term for those loose and flexible methods of cultivation which leave people free to pursue any number of other seasonal activities—turned into more serious agriculture, play kingdoms began to take on more substance as well?¹

Ultimately, these theoretical and historical considerations regarding the origins of the state, and its varying degrees of intersection with economic/class and other forms of power throughout history, are of limited relevance to the practical questions we face today in deciding whether and how to engage the state as part of our strategy of transitioning beyond the state and capitalism.

Our interest is not so much in the origin of the state, or of its class nature throughout history, as in the class nature of the state in the modern capitalist era and the practical issues involved in engaging with it.

The truth is as Mann states it. After stating his curiosity as to why theorists feel it necessary to prove this or that theory of the origins of the state, in order to buttress their claims about the nature of the state today ("Why should Marxism care anything about the origins of states in justifying a particular stance toward capitalism and socialism?"), he observes: "It is not necessary to a theory of later states to demonstrate that the first states originated in this or that way."²

Just so. And, as Mann's historical framework also suggests, the political realm's status as the locus of class struggle has been largely limited to a few unique periods like the Axial Age and the modern Westphalian era; the modern state in particular is closely intertwined with capitalist and other economic ruling classes.

Of course, to deny that class struggle was the primary driver of history before the modern period, or that symmetrical economic ruling and subordinate classes existed polity-wide in most societies of the past, is a different thing entirely from denying that states as such had a class nature to some degree. In a broad sense—and especially from an anarchist perspective—we can say that states have been intimately connected with economic power and class. And even in the absence of a symmetrical subordinate class,

a second form of class structure has also played a major historical role: the society characterized by a single, extensive, and political ruling class. When lords became capable of a common sense of community and of collective organization, considerable social change and development resulted, as was suggested tentatively in the case of Assyria and Persia and as was proved in the case of Rome. The emergence of an upper class was a decisive phase in world-historical development.³

Mann has shown that the general tendency before the modern era has been for military and ideological networks to be far more extensive than economic ones, and for economic and political-military elites not to intersect. In some periods of history there appears not to have been what we would regard as a "class struggle," that phenomenon manifesting itself in the historical record for the first time in classical Greece. Likewise, the existence of a ruling class, which Mann defines as "an economic class that has successfully monopolized other power sources to dominate a state-centered society at large."⁴ Greece, according to Mann, was the first society with extensively distributed ruling and subordinate classes, as well as a "political class" (i.e. a class "organized for political transformation of the state or political defense of the status quo").⁵ And the same was true to a large extent of Axial Age empires, as David Graeber also noted in *Debt*.

¹*Ibid.*, pp. 594-595.

²Mann, *Sources of Social Power* vol. 1, p. 50.

³*Ibid.*, p. 529.

⁴*Ibid.*, pp. 24-25.

⁵*Ibid.*, p. 217.

But overall, “[f]or the first 2500 years of Western civilization,” as G. William Domhoff summarizes Mann, “economic networks were extremely localized, especially in comparison to political, and military networks.”¹

This changed with the modern era. From the late medieval period on, the rising nation-state and capitalism were largely hitched in tandem, with the growth of each synergistically promoting that of the other.

...[A]fter the Military Revolution no state could retain its autonomy and survive on the battlefield. Additional finance, and later manpower, was required, and this involved collaborating with better-organized civil groups, especially with the landed nobility and with commercial oligarchies in trading states. This collaboration was turning gradually into an organic unity between state and dominant classes. States diverged along absolutist and constitutional lines in response, but all were now collaborating closely with their dominant classes. The private interests and sphere of action of the state elite now became more difficult to distinguish. In the seventeenth and eighteenth centuries it begins to make sense to describe the state—paraphrasing Marx—as an executive committee for managing the common affairs of the capitalist class. Thus no significant degree of distributive power over the internal groups of “civil society” was exercised by the state during this long period. In this second sense causal determination flowed primarily from economic power relations to the state.

There is no meaningful way of ranking the strength of these two opposite causal patterns so as to arrive at a conclusion of the form: Economic (or political/military) power predominated “in the last instance.” Each reorganized early modern societies in fundamental ways, and the two were jointly necessary for the Industrial Revolution and for other fundamental parameters of the modern world. They were to continue their close, dialectical relationship²

In keeping with that observation, we set aside questions of the historical origins of the state, and of its general nature throughout history, and focus on its class nature in our own era.

¹G. William Domhoff, *The Power Elite and the State: How Policy is Made in America* (New York: Aldine de Gruyter, 1990), p. 3.

²Mann, *The Sources of Social Power: Volume 1*, pp. 515-516.

Introduction to Part Two: Theory of the State: General Survey of the Ground

In his introduction to *The Power Elite and the State*, G. William Domhoff lists three main divisions among theories of the class nature of the state:

1) Instrumentalist (which is actually a pejorative term coined by the structuralists),¹ and more or less coincides C. Wright Mills' term "plain Marxists."

1a) His own and C. Wright Mills's institutional/elite approach, which is to a large extent a subset of instrumentalism.

Mills's Power Elite theory was more purely institution-based, whereas Domhoff attempted to fuse institutional/elite with class analysis.

From the very outset, it had been my aim to combine an institutional analysis with a class analysis. I tried to do so by seeing if Mills's institutionally based power elite could be grounded in the upper (capitalist-based) class. I redefined the power elite in such a way that it included active, working members of the upper class and high-level employees in private institutions controlled by members of the upper class, and then explored the extent to which the members of this power elite overlapped with those encompassed by Mills's concept. I found that the overlap was nearly perfect, and then showed how these people dominated policy-making in the executive branch of the federal government through a variety of direct and indirect means.²

1b) The corporate liberal school

2) Structuralist, consisting primarily of Nicos Poulantzas and his disciples. Structuralists criticized the "instrumentalists" for a "crude view of the state as the simple tool or 'instrument' of capital."

This "instrumentalist" view of the state was said to rest on personal linkages between capitalists and government officials, and to require the direct participation of capitalists in the state. Instrumentalism was then contrasted with "structuralism," which was said to be more sophisticated because it saw the state as an organizational entity within an overall system with underlying rules and imperatives. For the structural Marxists, the state has "relative autonomy" from any specific capitalists or the capitalist class, but is in the general service of capitalism.³

For structuralists, the class makeup of the state, or the class affiliations of the individuals who occupy its positions of authority, is largely irrelevant "because the structure of the economic and political systems produces a set of roles and imperatives that minimize personal discretion even for state managers."⁴

Although Baran and Sweezy, in *Monopoly Capital*, take a much more instrumentalist view of the state, their position overlaps with that of the structuralists to the extent that they portray the state as serving the collective, long-term interests of capital, regardless of the fact that state policy may

¹G. William Domhoff, *The Power Elite and the State: How Policy is Made in America* (New York: Aldine de Gruyter, 1990), xviii.

²*Ibid.*, p. 1.

³*Ibid.*, xviii.

⁴*Ibid.*, p 17.

harm the interests of some capitalists—or even the short-term interests of capital as a whole. Marx's framing of the state as "executive committee of the economic ruling class" carries something of the same flavor, as does his treatment of the relationship between the British state and capitalist class interests in his chapter on the Ten-Hour Day.

3) State-centric/state autonomist, a school dominated by Theda Skocpol. State autonomists share the structuralist critique of instrumentalism, but go beyond their view of the state's "relative autonomy" from specific capitalists to assert that

states are administrative, policing, and military organizations with a logic and interests of their own. These interests are not necessarily equivalent to or related to the interests of a dominant class or the members of society as a whole. The state is concerned with maintaining order and competing with other states. In the process of carrying out these tasks, the state may compete with the dominant class in the society for resources or subordinate that class to its own interests.¹

In Chapter One, Domhoff adds 4) Interest group pluralism. This one is mostly a foil, treated—correctly, in my view—as almost beneath serious consideration.

In my view, the proper settlement of the debate takes a "both-and" form. The "instrumentalists" overestimate the necessity of direct lobbying or participation in the state by the economic ruling class, and underestimate the extent to which the state would respond to structural imperatives of capitalism even if capitalist direct lobbying and money were removed from politics altogether, and former corporate officers were prohibited from serving as political appointees in the Executive branch or being elected to Congress (and vice versa).

On the other hand, the structuralists overestimate the extent to which the veto power of lobbying and money from particular groups of capitalists act as a veto power on the state's full autonomy in promoting the long-term interests of capital as a whole, and to which the state is restrained by the short-term interests of particular capitalists from doing what is necessary for the long-term stability of the system.

And state autonomists over-stress the distinction between nominal "state" and "capitalist" actors—a distinction that at times becomes as meaningless or arbitrary as that between feudal elites as state actors vs. feudal elites as landlords.

In the following chapters of this part of the book, I will—very roughly—follow Domhoff's division of schools and examine each in turn, along with his analysis and my own, and draw my own conclusions.

¹*Ibid.*, xviii.

Theory of the State: Interest Group Pluralism

Although we did not discuss it first in our initial general survey, we will examine this approach to the class nature of the state first mainly to dispense with it, since in its usual form it's probably the least deserving of serious consideration.

As Michael Mann described it, pluralism is "liberal democracy's (especially American democracy's) view of itself."¹ Indeed it approaches quasi-official status. Interest group pluralism, in the words of C. Wright Mills, is "the folklore of how democracy works"; "liberal interpretations of what is happening in the United States are now virtually the only interpretations that are widely distributed."² Mills write this in the 1950s, but my high school civics text and lectures took essential the same approach almost thirty years later, as did my freshman American government class in college; I suspect this is still the slant of most students' only encounters with the subject unless they go on to major in social sciences.

Pluralism was not a purely post-WWII phenomenon. F. W. Coker write an article for *American Political Science Review* titled "The Technique of the Pluralistic State" in 1921. And the final sentence of H.L. Childs' 1930 *Labor and Capital in National Politics* could have been written verbatim by an interest group pluralist today: "Periodic elections are turning into periodic competitions between personalities, while the day-to-day process of governing a great nation turns into a continuous balancing of pressing interests of more and more highly perfected organized group interests."³ But that tentative line of investigation was largely abandoned from the mid-30s on. It was only in the postwar era—the era of post-industrialism—that interest group pluralism came into its own.

One early postwar statement of the basic idea was by David Riesman, who argued in *The Lonely Crowd* that the ruling class had been replaced by "veto groups":

a series of groups, each of which has struggled for and finally attained a power to stop things conceivably inimical to its interests and, within narrower limits, to start things. The various business groups, large and small, the movie-censoring groups, the farm groups and the labor and professional groups, the major ethnic groups and major regional groups, have in many instances succeeded in maneuvering themselves into a position in which they are able to neutralize those who might attack them....

¹Mann. *The Sources of Social Power, Volume 2: The Rise of Classes and Nation-States, 1760-1914* (Cambridge, New York, Melbourne, Madrid, Cape Town, Singapore, Sao Paulo: Cambridge University Press, 1993), p. 47.

²C. Wright Mills, "The Structure of Power in American Society," in Irving Horowitz, ed., *Power, Politics and People: The Collected Essays of C. Wright Mills*. Edited and with an introduction by Irving Louis Horowitz (New York: Ballantine Books, 1963), pp. 30-31.

³Robert A. Dahl, "Business and Politics: A Critical Appraisal of Political Science," *American Political Science Review* 53:1 (March 1959), p. 13.

Each of the veto groups in this pattern is capable of an aggressive move, but the move is sharply limited in its range by the way in which the various groups have already cut up the sphere of politics and arrayed certain massive expectations behind each cut.¹

To the question of whether some particular group is, in the long run, more powerful than the others—and hence constitutes a ruling class—Riesman replies in the negative.

The future seems to be in the hands of the small business and professional men who control Congress, such as realtors, lawyers, car salesmen, undertakers, and so on; of the military men who control defense and, in part, foreign policy; of the big business managers and their lawyers, finance-committee men, and other counselors who decide on plant investment and influence the rate of technological change; of the labor leaders who control worker productivity and worker votes; of the black belt whites who have the greatest stake in southern politics; of the Poles, Italians, Jews, and Irishmen who have stakes in foreign policy, city jobs, and ethnic religious and cultural organizations; of the editorializers and storytellers who help socialize the young, tease and train the adult, and amuse and annoy the aged; of the farmers . . . who control key departments and committees . . . ; and so on Power in America seems to me situational and mercurial²

Power, he said, is decided by *issues*.³

The theory's first in-depth development was Robert Dahl's concept of "polyarchy" in *A Preface to Democratic Theory*. "A central guiding thread of American constitutional development," Dahl argues, "has been the evolution of a political system in which all the active and legitimate groups in the population can make themselves heard at some crucial stage in the process of decision."⁴

The defining features of a polyarchy are an interest group competition in which "various minorities in a society will frustrate the ambitions of one another with the passive acquiescence or indifference of a majority of adults or voters." Polyarchy is characterized by "the number, size, and diversity of the minorities whose preferences will influence the outcome of governmental decisions."⁵ It is in the outcome of this interest group competition, rather than in any kind of genuine popular sovereignty, "that we find the values of a democratic process."⁶

Majority rule still exists after a fashion, to be sure, but it operates not through "a majestic march of great majorities united upon certain measures of basic policy," as through "the steady appeasement of relatively small groups."⁷

Elections and political competition do not make for government by majorities in any very significant way, but they vastly increase the size, number, and variety of minorities whose preferences must be taken into account by leaders in making policy choices. I am inclined to think that it is in this characteristic of elections—not minority rule but minorities rule—that we must look for some of the essential differences between dictatorships and democracies.

But there is another characteristic of elections that is important for our inquiry. If the majority rarely rules on matters of specific policy, nevertheless the specific policies selected by a process of "minorities rule" probably lie most of the time within the bounds of consensus set by the important values of the politically active members of the society, of whom the voters are a key group. This, then, is our third proposition; and in this sense the majority (at least of the politically active) nearly always "rules" in a polyarchal system. For politicians subject to elections must operate within the limits set both by their own values, as indoctrinated members of society, and by their expectations of what policies they can adopt and still be reelected.

... [What we ordinarily describe as politics] is the surface manifestation, representing superficial conflicts. Prior to politics, beneath it, enveloping it, restricting it, conditioning it, is the underly-

¹David Riesman, Nathan Glazer and Reuel Denney, *The Lonely Crowd: A study of the changed American character*. Abridged edition with a new foreword (New Haven and London: Yale University Press, 1950, 1961), pp. 213-214.

²*Ibid.*, pp. 222-223.

³*Ibid.*, p. 222.

⁴Robert A. Dahl, *A Preface to Democratic Theory*. Expanded 50th anniversary edition (Chicago and London: University of Chicago Press, 1956, 2006), p. 137.

⁵*Ibid.*, p. 133.

⁶*Ibid.*, p. 134.

⁷*Ibid.*, p. 146.

ing consensus on policy that usually exists in the society among a predominant portion of the politically active members With such a consensus the disputes over policy alternatives are nearly always disputes over a set of alternatives that have already been winnowed down to those within the broad area of basic agreement.¹

In fact, however, this underlying consensus—at least in the case of policy issues that concern the fundamental power structure—is more likely to be that of the power elite rather than of a majority of interest groups. The values of policy markers are more likely to be those into which they are indoctrinated as members of the power elite. In regard to such basic structural issues, there is quite likely to be a minority consensus among the establishments of the nominally opposing parties, even when there is a clear popular majority for something fundamentally different. In such cases the majority preference is unlikely even to be articulated, and hence to become a matter for political debate in the proper sense at all. Hence, issues which are not in dispute among the various factions of the economic ruling class are likely to be “winnowed down,” leaving only a permissible radius of debate concerning second-tier issues.

For example, the desirability of copyright maximalism—a core structural component of global capitalism, central to the profit model of transnational corporations—is not in dispute between the establishments of the major parties. Neither is a foreign policy centered on neo-colonialism and the Washington Consensus. During the healthcare debates of Obama’s first administration, the range of acceptable alternatives extended from an insurance mandate and subsidies (briefly coupled with a public option, which was quietly dropped) on the extreme “left” end, and things like interstate competition and medical savings accounts on the right—despite the fact that a majority of the public favors single-payer.

As C. Wright Mills noted, it is mostly second-order issues in which interest group pluralism and the need for a consensus of minorities will prevail. In regard to the foundational structural issues of the system, the political environment is more apt to reflect unity than diversity among elites.

Riesman’s “veto group” theory, Mills argued—elsewhere he applied the same critique to J.K. Galbraith’s countervailing powers, and his argument is equally applicable to Dahl’s polyarchy—was “a recognizable, although a confused, statement of the middle levels of power

But it confuses, indeed it does not even distinguish between the top, the middle, and the bottom levels of power. In fact, the strategy of all such romantic pluralism, with its image of a semi-organized stalemate, is rather clear:

You elaborate the number of groups involved, in a kind of bewildering, Whitmanesque enthusiasm for variety. Indeed, what group fails to qualify as a ‘veto group’? You do not try to clarify the hodge-podge by classifying these groups, occupations, strata, organizations according to their political relevance or even according to whether they are organized politically at all. You do not try to see how they may be connected with one another into a structure of power, for by virtue of this perspective, the romantic conservative focuses on a scattering of milieux rather than on their connections within a structure of power. And you do not consider the possibility of a community of interests among the top groups. You do not connect all these milieux and miscellaneous groups with the big decisions: you do not ask and answer with historical detail: exactly *what*, directly or indirectly, did ‘small retailers’ or ‘brick masons’ have to do with the sequence of decision and event that led up to World War II? What did ‘insurance agents,’ or for that matter, the Congress, have to do with the decision to make or not to make, to drop or not to drop, the early model of the new weapon?²

¹*Ibid.*, pp. 132-133.

²C. Wright Mills, *The Power Elite*. With a new afterword by Alan Wolfe (Oxford and New York: Oxford University Press, 1956, 2000), p. 244. The reference to countervailing powers was in “The Structure of Power in American Society,” in Irving Horowitz, ed., *Power, Politics and People: The Collected Essays of C. Wright Mills*. Edited and with an introduction by Irving Louis Horowitz (New York: Ballantine Books, 1963), p. 30.

In short, “[u]ndue attention to the middle levels of power obscures the structure of power as a whole, especially the top and the bottom.”

American politics, as discussed and voted and campaigned for, have largely to do with these middle levels, and often only with them. Most ‘political’ news is news and gossip about middle-level issues and conflicts.”¹

A major addition to the interest group pluralist literature in the late 1960s, as well as an attempted rejoinder to the power elite theory of Mills, was *The Power Structure* by Arnold Marshall Rose. In the Introduction Rose stated the “hypothesis” of his book (called the “multi-influence hypothesis,” in contrast to the “economic-elite-dominance hypothesis”), which was directed primarily against C. Wright Mills but also against the instrumentalism of assorted Marxist and anarchist schools.

Segments of the economic elite have violated democratic political and legal processes, with differing degrees of effort and success in the various periods of American history, but in no recent period could they correctly be said to have controlled the elected and appointed authorities in large measure.... In fact there are several economic elites which only very rarely act as units within themselves and among themselves, and there are at least two political parties which have significantly differing programs with regard to their actions toward any economic elite, and each of them has only a partial degree of internal cohesion.... [The Democratic Party] generally has an domestic policy that frustrates the special interests of the economic elite. This paragraph states our general hypothesis, and we shall seek to substantiate it with facts that leave no significant areas of omission.²

The second and third quoted sentences already indicate considerable naivete and slipshod framing in even stating his thesis. And as we shall see, he falls far short of his stated objective in the final sentence.

Although Rose accuses the power elite theorists of either misinterpreting facts or of omitting facts that balance the narrative, he himself does just that in his critique of Mills.³ One of the central conceptual contributions in Mills’s analysis was his differentiation of the economic elite into “business liberals” (representatives of larger, internationally oriented, capital-intensive industries, equivalent to corporate liberals in New Left historiography) and “practical conservatives” (nationally oriented, medium-sized, more labor-intensive industries, represented by groups like the NAM). Rose, completely ignoring Mills’s framework, treats victories by the former in setting the political agenda despite the opposition of the latter as a defeat of the “economic elite” by the “political elite.” (Rose later announces, as a startling new discovery, that “there are distinct subgroups within the economic elite” based on functional distinctions like large vs. small businesses, production for the domestic market vs. export, etc.)⁴ It’s hard to recover from such conceptual laziness, and indeed Rose does not.

Rose also takes Mills to task on the grounds that his theory of elite control is over-optimistic, greatly understating institutional factors like the sheer spatial and temporal scale, and inertia, of American society.

... [T]here are large-scale historical forces—often of an economic character—which constrain, limit, push, and direct any society in ways beyond the control of any segment in it. If Mills was a student of Marx and Veblen, among others, he apparently did not learn his lesson well. The substructure of any society—its geography, technology, economic organization, and basic institutions of family and religion—are only to a very limited extent manipulable by one group, no matter how powerful and rational it is in the pursuit of its material interests.⁵

¹*Ibid.*, p. 245.

²Arnold M. Rose, *The Power Structure: Political Process in American Society* (New York: Oxford University Press, 1967), p. 2.

³*Ibid.*, p. 9.

⁴*Ibid.*, pp. 90-91.

⁵*Ibid.*, p. 18.

It's hard to imagine how Rose managed to read *The Power Elite* without taking away, if nothing else, the fact that Mills saw his power elite as the *outgrowth* and *representation* of the institutional structures they governed, and their goals and agendas as largely reflective of that institutional setting. Indeed one reason for the very institutional inertia that Rose refers to, is that governing elites see the requirements and parameters of the institutions that produced them as being "natural" or "inevitable." Indeed it is the fundamental characteristic of American politics that permissible debate takes place within a "Chomsky radius" defined by what is possible within the broader limits of the existing power structure; any policy goal which cannot be achieved by tinkering within the parameters of this framework, and carried out largely by the same kinds of people running it, will be dismissed as "radical" or "extreme."

Another illustration of Rose's conceptual shortcomings is his framing of the question, in discussing the policy-making influence of government officials from a corporate background, as one of how many of their decisions represent their economic motives ("running the government for the benefit of business")¹, as opposed to what they consider the "national interest." National security decision-makers from corporate backgrounds, for example, "promote, in my opinion, their conception of the national interest in foreign affairs."²

The way he puts the question is unfortunate, suggesting the existence of some objective "national interest" independent of the interests that control the state. As Howard Zinn said of the idea that there is a "national interest" we all share as Americans, independent of our class position: "Surely, in the history of lies told to the population, this is the biggest lie."³

It suggests, further, the lack of any form of class hegemony over the political system so long as economic elites are not twirling their mustaches like Snidely Whiplash and saying "We are evil!" as they chortle wickedly. But if there's anything that reflects a class or institutional hegemony, it's the definition of "national interest" that's sincerely uncritically accepted by the ruling circles—or the public—theirelves.

The ruling elite's own conception of the "national interest" reflects a largely implicit and unexamined conventional wisdom, itself in turn reflecting their institutional and class backgrounds. As G. William Domhoff put it:

Rose can . . . counter that it must be shown that these men act in their own interests when in government—I will merely note that sociological and psychological studies suggest that it is very hard to transcend one's background and implicit assumptions.⁴

And Domhoff argues elsewhere that "implicit, unverbalized conceptions" are a better indication of class interest than explicit statements of such interest.⁵

Mills, likewise: "many who believe that there is no elite... rest their argument upon what men of affairs believe about themselves, or at least assert in public."⁶

As for foreign policy, the conception of "the national interest in foreign affairs" shared by the dominant national security elites of both parties, in administrations going back for decades, is precisely the problem. Their no-doubt sincere view of the "national interest" has corresponded, with little deviation, to whatever suits the dominant interests of corporate capital, since at least the turn of the 20th century.

Rose compounds the problem, and further evidences his inadequate understanding of the role of legitimating ideologies in systems of power, with this mess:

¹*Ibid.*, p. 23.

²*Ibid.*, p. 93.

³Howard Zinn, "America's Blinders," *The Progressive*, April 1, 2006 <<https://progressive.org/magazine/america-s-blinders-Zinn>>.

⁴G. William Domhoff, *The Higher Circles: The Governing Class in America* (New York: Vintage Books, 1970), p. 336.

⁵*Ibid.*, p. 92.

⁶Mills, *The Power Elite*, p. 5.

... [T]here are cultural values—both on the high plane of ideals and the low plane of everyday norms—which are also subject to only limited manipulation. The “American creed” of liberty, equality, fair play, justice, etc., and the more universal religious and humanistic ideals are not mere words which can be completely twisted and distorted to serve the interests of any group, even though man’s ability to rationalize them away while pursuing his individual or sub-group interests is considerable. The everyday norms of mutual expectations in interpersonal relations set further limits on rational behavior, and these norms are also internalized by power elites no less than by the masses. Rational manipulation can take place within their framework, but not in spite of it¹

Well, yes. But first, these cultural values were not handed down from on high, but have their own history in structures of power. And second, dominant ideologies are amenable to adaptation by a wide variety of class interests to legitimize their own agendas. Diametrically opposed class interests can weaponize concepts from the same general ruling ideology to an extent that would probably astonish Rose. Hence the egalitarian inversion of Christianity by the Lollards, the Munster commune and Ranters, and the formation of workers’ councils during the uprisings in East Germany in 1953, in Hungary in 1956, etc.² Rose’s attempt to lecture Mills seems a bit odd, considering the latter represents a sociological tradition that includes Karl Mannheim, and co-authored *Character and Social Structure* with Hans Gerth.

Rose would have done far better to ask what shaped the economic elite’s view of the “national interest.” It’s worth noting how much the bipartisan conception of “national interest,” as exemplified both by neoconservative intellectuals attached to the George W. Bush administration like Bill Kristol, and neoliberals around Obama and the Clintons like Madeline Albright and Neera Tanden, reflects the needs of global capital.

Every system includes a cultural reproduction apparatus that tends to create the kinds of “human resources” who accept as normal, and as given, the structure of power under which they live. Those at the top of the pyramid, for the most part, are as much products of this cultural reproduction apparatus as those at the bottom.

Oddly enough Rose accuses Mills of ignoring this fact. Mills errs, he argues, in failing to understand that the power elite, as much of the masses, are victims of “false consciousness.” Indeed the latter “sometimes deliberately and consciously works against its own interests.”³ It’s hard to understand how anyone could come away from *The Power Elite*, or *White Collar* and *The Sociological Imagination*, with the impression that Mills saw his power elite as having, like Huxley’s World Controller, entirely freed themselves from the shackles of the legitimizing ideology. If anything, it’s hard not to conclude that ruling elites are some of the least critical and self-aware people alive.

At least as great as any previous deficiency of Rose’s analysis is that, like Arthur M. Schlesinger Jr., he sees liberal Democrats and big business interests as mutually opposed and ignores the existence of a large liberal wing of capital (what C. Wright Mills called the “business liberals” the focus of “corporate liberal” historiography as well as scholarship by New Leftists like Gabriel Kolko) with a policy orientation fundamentally different from that of business interests represented by the NAM. G. William Domhoff argues:

As to the NAM and Chamber of Commerce, they are merely the more conservative element of the economic elite, including certain very large firms and more of the smaller of the big businesses. Indeed, a good part of Rose’s failure is wrapped up in this one simple fact, for by quoting NAM pamphlets and leaving the President and the backers of progressive legislation unspecified socioeconomically, he can pose the bad-guy businessmen (economic elite) against the good-guy liberals....

¹Rose, *The Power Structure*, pp. 18-19.

²See Kevin Carson, *Destroying The Master’s House With The Master’s Tools: Some Notes On The Libertarian Theory Of Ideology*. Center for a Stateless Society Paper No. 15 (2013) <<http://c4ss.org/wp-content/uploads/2013/11/Notes-on-Libertarian-Ideology.pdf>>.

³Rose, *The Power Structure*, p. 20.

While treating the NAM and Chamber of Commerce as proxies for business as such, Rose ignores their corporate liberal counterparts like the Committee for Economic Development.¹

Hence Rose frames the passage of New Deal labor and welfare legislation opposed by the NAM and Chamber of Commerce as a defeat of “business interests” as such by progressive or anti-business forces—and not as a defeat of one wing of capital by another. Mills’s assumptions regarding corporate dominance of policy, he says,

neglect the vast amount of social welfare legislation, particularly since the 1930s, and of other legislation designed to protect the interests of the working classes. They neglect the fact that some of the wealthiest of elected government officials have been among those leading in the fight for such legislation.²

As evidence of economic elites’ political vulnerability, Rose takes the NAM’s repeated defeats on legislation including the Social Security Act and the Securities Exchange Act.³ “Especially since the 1930’s,”

the government has set various restrictions and controls on business, and has heavily taxed business and the public to carry out purposes deemed to be for the general good—welfare programs, education programs, highways, war and military defense activities, etc.⁴

Rose is “led astray,” as Domhoff says, by his “limited conception of the economic elite”—namely his failure to take into account “the role of corporate moderates in formulating this type of legislation.”⁵

Likewise, to back his assertion that the political elite controls the economic elite, Rose cites

numerous and powerful government restraints and limitations on corporations—through the power to tax, to license, to set rates in interstate commerce, to control conditions of marketing . . . , to control the accuracy of labeling and advertising, to set the conditions of collective bargaining and the labor contract, and dozens of lesser government powers. It is of course true that in some of these areas . . . , the economic elite has found means of influencing the government administrators, but even here the fact that they must work through the government administrators . . . is a limitation on their power.⁶

One hardly knows where to begin. Two of New Left historian Gabriel Kolko’s books document just how many of those “powerful government restraints and limitations” were passed at the behest of the regulated corporations themselves, in order to restrict competition and cartelize markets, and particularly to restrain price competition in the interest of stable oligopoly markets. One of them—*Railroads and Regulation*—was devoted entirely to rate-setting in interstate commerce. And most of the others were covered by various chapters in *The Triumph of Conservatism*. As for the economic elite having to work through government administrators, what an unenviable lot—for the economic ruling class to have to work through its own executive committee!

One of Rose’s apparent criteria for evidence of business interests being overruled by liberals in the state elite is that—wait for it—“the masses of the American people are better off economically . . . than they were in the past, and that this has been largely due to government intervention, supported by the majority of the voters.”⁷

Likewise, Rose treats Eisenhower’s warning regarding the military-industrial complex as evidence that executive security policy is independent from influence by the military appa-

¹Domhoff, *The Higher Circles*, p. 325.

²Rose, *The Power Structure*, pp. 27.

³*Ibid.*, p. 73.

⁴*Ibid.*, p. 485.

⁵Domhoff, *The Higher Circles*, pp. 340-341.

⁶Rose, *The Power Structure*, p. 21.

⁷*Ibid.*, p. 28.

ratus¹—without bothering to note the *occasion* on which Eisenhower made those remarks, or inquire whether such sentiments had any effect on Eisenhower's actual military procurement policy *before* his Farewell (let alone that of any subsequent administrations).

In an especially notable howler, Rose accuses Mills (with no citation) of holding “that there are practically no ideological or policy differences between the two major political parties”—a position which may have been true before the 1930s, Rose says, but certainly not afterward.² I refer the reader—once again—to Mill's repeated analyses of “business liberals” and “practical conservatives” as the respective business constituencies of the two parties, and their differing positions on New Deal legislation.

Conclusion. To the extent that the interest group pluralist model contains valid critiques of power elite or other forms of instrumentalist theory, it either (by pointing to over-emphasis of things like campaign finance and the rotation of personnel between business and government) indicates the need for a greater emphasis on structural constraints on state policy by the nature of the capitalist system, or (by arguing for greater autonomy) indicates the need for a greater recognition of that aspect of state policy. It may shed light on interest group politics, but its insights apply mainly to Mills's “middle range of power” and hence is irrelevant to the point at issue. It does not demonstrate its primary contention.

To the extent that it contains valid or useful elements, they are probably better incorporated into a framework based on Mann's “cockup theory.” Some elements of interest group pluralism may also be useful on a piecemeal basis, in considering the question of whether states—although typically dominated by the interests of capital—can function as contested ground. And in a weaker form—with some “interest groups” being interpreted as a partial differentiation between functionally-oriented factions of capital—it may also be useful in analyzing the role of the state in adjudicating conflicts within the capitalist ruling class.

¹*Ibid.*, p. 28.

²*Ibid.*, p. 32.

Theory of the State: Marx and Engels

Classical Marxism is the common source of so-called “instrumentalism” (although the power elite theorists are also included under this heading), structural Marxism, and state autonomism.

Although Marx and Engels were the source of the original “executive committee” phrase—the motto of “instrumentalism,” if anything can be so described—throughout this chapter I will be citing analyses by Marx and Engels that are virtually indistinguishable from something Nicos Poulantzas or Theda Skocpol might have written. The reason is that the very label “instrumentalism,” which I use here for convenience, was mostly a strawman caricature of people like C. Wright Mills, G. William Domhoff and Ralph Miliband. In fact the thought of the latter was quite nuanced, “containing multitudes,” with considerable room for the insights of structural Marxists and state autonomists. As for Marx and Engels themselves, Hal Draper—whom I cite extensively in this chapter—makes a plausible reading of them that more than anything resembles structural Marxism and even approaches state autonomism (the term Draper actually uses).

Miliband, commonly considered the founder and most prominent representative of the instrumentalist school, is far less of a firebrand for that school than one would expect given his role as primary adversary for the structural Marxists and state autonomists. In his article on “The State” for *A Dictionary of Marxist Thought*, he points out aspects of Marx’s and Engels’ work that clearly anticipate structuralist and autonomist interpretations, and himself summarizes them in language that is sometimes indistinguishable from that of Nicos Poulantzas.

For example, he writes, the very concept of the state as an instrument for managing “the common affairs of the *whole bourgeoisie*” [emphasis Miliband’s],

clearly implies that the bourgeoisie is made up of different and particular elements; that it has many separate and specific interests as well as common ones, and that it is the state which must manage its common affairs. It cannot do so without a considerable measure of independence.¹

Nevertheless, he asserts that the “view of the state as the instrument of a ruling class . . . remained fundamental throughout for Marx and Engels.”²

Indeed it’s perhaps most accurate to say that three things are true of Marx and Engels 1) they are mostly instrumentalist in the broadest sense; 2) they contain the seeds of structuralism and state autonomism; and 3) the very distinction between instrumentalism, on the one hand, and structuralism and state autonomism on the other, is to large extent a matter of emphasis, or even a strawman manufactured by the latter. If Marx and Engels saw the state in a

¹Ralph Miliband, “State, the,” in Tom Bottomore, ed., *A Dictionary of Marxist Thought* (Cambridge, Mass.: Harvard University Press, 1983), p. 466.

²*Ibid.*, p. 465.

very general sense as capitalist, it was an “instrumentalism” of a sort that was largely compatible—as were the “instrumentalisms” of Miliband and Domhoff—with the major insights of Poulantzas and Skocpol.

We can confirm this by looking through the work of Marx and Engels themselves. In the *Manifesto* they observed that

the bourgeoisie has at last, since the establishment of Modern Industry and of the world market, conquered for itself, in the modern representative State, exclusive political sway. The executive of the modern state is but a committee for managing the common affairs of the whole bourgeoisie.¹

And again: “Political power, properly so called, is merely the organised power of one class for oppressing another.”²

The state, Engels generalized in *The Origins of the Family*, appears after the division of society into classes:

...[T]n order that these antagonisms, classes with conflicting economic interests, shall not consume themselves and society in fruitless struggle, a power, apparently standing above society, has become necessary to moderate the conflict and keep it within the bounds of “order”; and this power, arisen out of society, but placing itself above it and increasingly alienating itself from it, is the state.³

Although the state stands above society as an arbiter of class conflict, it is not usually a neutral arbiter.

As the state arose from the need to keep class antagonisms in check, but also arose in the thick of the fight between the classes, it is normally the state of the most powerful, economically ruling class, which by its means becomes also the politically ruling class, and so acquires new means of holding down and exploiting the oppressed class. The ancient state was, above all, the state of the slave-owners for holding down the slaves, just as the feudal state was the organ of the nobility for holding down the peasant serfs and bondsmen, and the modern representative state is the instrument for exploiting wage-labor by capital....

Further, in most historical states the rights conceded to citizens are graded on a property basis, whereby it is directly admitted that the state is an organization for the protection of the possessing class against the non-possessing class.⁴

But it does frequently serve the dominant class interest in a way that requires some independence from that class. Because the interests of the different segments of capital frequently conflict with one another, and short-term profits frequently conflict with the system’s long-term need for stability and predictable growth, the state requires a “measure of autonomy” in order to serve capital effectively.

A good example is British factory legislation in the 19th century. According to Marx, the *Factory Acts*

curb the passion of capital for a limitless draining of labour-power, by forcibly limiting the working-day by state regulations, made by a state that is ruled by capitalist-and landlord. Apart from the working-class movement that daily grew more threatening, the limiting of factory labour was dictated by the same necessity which spread guano over the English fields.⁵

¹Karl Marx and Friedrich Engels, *Manifesto of the Communist Party* (February 1848), *Marx/Engels Selected Works*, vol. 1 (Moscow: Progress Publishers, 1969). Pdf version hosted by Marxists.org <<https://web.archive.org/web/20190303111133/http://marxists.catbull.com/archive/marx/works/download/pdf/Manifesto.pdf>>, p. 15.

²*Ibid.*, p. 27.

³Engels, *The Origins of the Family, Private Property, and the State* (1884). From *Marx/Engels Selected Works* vol. 3. “Chapter IX: Barbarism and Civilization.” Hosted at Marxists.org <<https://web.archive.org/web/20070629232803/http://marxists.catbull.com/archive/marx/works/1884/origin-family/ch09.htm>>.

⁴*Ibid.*

⁵Marx and Engels. *Capital* vol. 1 (1867). First English edition of 1887, Progress Publishers, “Chapter Ten: The Working Day.” Hosted at Marxists.org

Indeed, in limiting the hours of labor, in practical terms the British state acted in the manner that a cartel of employers in a given industry might, in reaching a similar agreement in their joint interest. Some employers actually lobbied for such legislation, on the grounds that, while such limits were in their common interest, it was in their several interest to evade them. As in many other cases, state regulation amounts to capitalists acting through the state to create a non-defectable cartel among regulated enterprises.

We, therefore, find, e.g., that in the beginning of 1863, 26 firms owning extensive potteries in Staffordshire, amongst others, Josiah Wedgwood, & Sons, petition in a memorial for "some legislative enactment." Competition with other capitalists permits them no voluntary limitation of working-time for children, &c. "Much as we deplore the evils before mentioned, it would not be possible to prevent them by any scheme of agreement between the manufacturers. ... Taking all these points into consideration, we have come to the conviction that some legislative enactment is wanted."... Most recently a much more striking example offers. The rise in the price of cotton during a period of feverish activity, had induced the manufacturers in Blackburn to shorten, by mutual consent, the working-time in their mills during a certain fixed period. This period terminated about the end of November, 1871. Meanwhile, the wealthier manufacturers, who combined spinning with weaving, used the diminution of production resulting from this agreement, to extend their own business and thus to make great profits at the expense of the small employers. The latter thereupon turned in their extremity to the operatives, urged them earnestly to agitate for the 9 hours' system, and promised contributions in money to this end.¹

Draper takes it a step further, interpreting Marx's observation about curbing the extractive passion of capital as the state "correct[ing] for the shortsightedness of the capitalists themselves"

it is a distinct advantage to the bourgeoisie if its own state—the state which assures its interests—is not simply its tool, if indeed this state enjoys sufficient autonomy from the ruling class so that, if need be, the former can even exert coercion on the latter.²

The functioning of the state on behalf of a dominant class by no means requires a formal differentiation of legal status; indeed the modern bourgeois republic serves the interests of capital most effectively through the pretense of neutrality. According to Engels:

The highest form of the state, the democratic republic, which in our modern social conditions becomes more and more an unavoidable necessity and is the form of state in which alone the last decisive battle between proletariat and bourgeoisie can be fought out—the democratic republic no longer officially recognizes differences of property. Wealth here employs its power indirectly, but all the more surely.³

The existence of a class state is not to deny that working class sentiments are a matter to be reckoned with in state policy, or to imply that policy-makers can ignore working class pressure. In cases of conflict within the propertied classes, one class may attempt to recruit working class support to bolster its position against its rivals. For example, segments of industrial capital promoted the Factory Act of 1844 in order to strengthen the coalition for repeal of the Corn Laws. The Tories, conversely, theatrically denounced the industrialists for their maltreatment of labor.⁴

The state was also not always or entirely a class state; it had its own imperatives. Marx's and Engels' analysis of Bonapartism in some ways foreshadowed—or at least provided material for—structuralism and state autonomism.

<<https://web.archive.org/web/20071010020909/http://marxists.catbull.com/archive/marx/works/1867-c1/ch10.htm>>.

¹*Ibid.*, note 82.

²Hal Draper, *Karl Marx's Theory of Revolution, Vol. 1: State and Bureaucracy* (Aakar Books for South Asia in association with Monthly Review Press, 1977, 2011), p. 334.

³Engels, *Origins of the Family*, Chapter IX.

⁴Marx and Engels, *Capital* vol. 1 (1867). First English edition of 1887, Progress Publishers, Chapter Ten.

Exceptional periods, however, occur when the warring classes are so nearly equal in forces that the state power, as apparent mediator, acquires for the moment a certain independence in relation to both. This applies to the absolute monarchy of the seventeenth and eighteenth centuries, which balances the nobility and the bourgeoisie against one another; and to the Bonapartism of the First and particularly of the Second French Empire, which played off the proletariat against the bourgeoisie and the bourgeoisie against the proletariat. The latest achievement in this line, in which ruler and ruled look equally comic, is the new German Empire of the Bismarckian nation; here the capitalists and the workers are balanced against one another and both of them fleeced for the benefit of the decayed Prussian cabbage Junkers.¹

In *The Eighteenth Brumaire of Louis Bonaparte*, Marx wrote that “[t]he struggle seems to be settled in such a way that all classes, equally powerless and equally mute, fall on their knees before the rifle butt.”² Thus the state progressed from preparing the way for the bourgeoisie, to serving as its instrument, to operating independently of it.

But under the absolute monarchy, during the first Revolution, and under Napoleon the bureaucracy was only the means of preparing the class rule of the bourgeoisie. Under the Restoration, under Louis Philippe, under the parliamentary republic, it was the instrument of the ruling class, however much it strove for power of its own.

Only under the second Bonaparte does the state seem to have made itself completely independent. The state machinery has so strengthened itself vis-à-vis civil society that the Chief of the Society of December 10 suffices for its head—an adventurer dropped in from abroad, raised on the shoulders of a drunken soldiery which he bought with whisky and sausages and to which he has to keep throwing more sausages.³

Draper took Marx’s “executive committee” analogy as an “overstatement,” leaving plenty of room to qualify it with the kind of state autonomy hinted at in his treatment of Bonapartism.

Our account of the rise of the state... shows that Marx and Engels did not make the state out to be merely an extrusion of the ruling class, its tool, puppet, or reflection in some simplistic, passive sense. Not *merely*, and certainly not *simply*, for the actuality can be complex indeed, as Marx’s study of Bonapartism showed. Rather, the state arises from and expresses a real overall need for the organization of society—a need which exists no matter what is the particular class structure. But as long as there is a ruling class in socioeconomic relations, it will utilize this need to shape and control the state along its own class lines.

The metaphor of tool, reflection, and so on may well be of use as a suggestive figure of speech, a first approximation, a pedagogical simplification, or a legitimate “forceful overstatement” or interpretative exaggeration. But it is perhaps more enlightening to think of the state, in many cases, as the Caliban to the ruling class’s Prospero. Caliban is “in service” to his master, as his slave, but nonetheless has his own independent aspirations, which he can give rein depending on Prospero’s condition. He can look forward to tearing himself free from servitude, and meanwhile mouth insults against the power he submits to: “I must obey: his art is of such power” But still he mutters to himself: “A plague upon the tyrant that I serve!”⁴

Both Marx and Engels at times suggested that, at a certain phase of capitalist development, the state was forced to take over as collective capitalist in order to promote capitalist accumulation when private capital was no longer capable of doing so effectively. The Second Empire

was the only form of government possible at a time when the bourgeoisie had already lost, and the working class had not yet acquired, the faculty of ruling the nation. It was acclaimed throughout the world as the savior of society. Under its sway, bourgeois society, freed from political cares, attained a development unexpected even by itself. Its industry and commerce expanded to colossal dimensions;

¹Engels, *Origins of the Family*, Chapter IX.

²Marx, *The Eighteenth Brumaire of Louis Bonaparte* (1852), Section VII. Translated from German edition of 1869 by Saul Padover. Online version hosted by Marxists.org <<https://web.archive.org/web/20070830162602/http://marxists.catbull.com/archive/marx/works/1852/18th-brumaire/cho7.htm>>.

³Ibid.

⁴Draper, *Karl Marx’s Theory of Revolution*, Vol. 1, p. 319.

financial swindling celebrated cosmopolitan orgies; the misery of the masses was set off by a shameless display of gorgeous, meretricious and debased luxury.¹

Even the bourgeoisie recognized under Louis Napoleon, Marx wrote, "that its own interests dictate that it should be delivered from the danger of its own rule; ...that to preserve its social power intact its political power must be broken"²

Or as Draper put it: "The autonomized state provides the conditions for the necessary modernization of society when no extant class is capable of carrying out this imperative under its own political power."³ We can apply the same generalization to the Hamiltonian program in America, the Meiji Restoration in Japan, etc. The role of the Bonapartist state, according to Draper, is to promote capitalist modernization in the face of necessity, in order to pursue its own interests.⁴

Even so, the state's autonomy tended to operate, in the face of structural necessity, in a way that promoted capitalist development. Napoleon, despite ostensibly standing above all classes, out of personal interest was forced to vigorously pursue the development of public works, railroads and canals, and a credit system—thus accelerating the development of industrial capitalism at an unprecedented pace.

Marx's and Engels' analysis of Bismarck largely followed the same pattern as their earlier treatment of Louis Napoleon. In his preface to *The Peasant War in Germany*, Engels wrote that the German bourgeoisie, after a brief ascendancy, had quickly reached its period of decline. It was reaching the point, already reached by the bourgeoisie in other European countries, at which it was increasingly challenged by the proletariat, and hence faced the prospect of abdicating its power to the state.

In England, the bourgeoisie could place its real representative, Bright, into the government only by extending the franchise which in the long run is bound to put an end to its very domination. In France, the bourgeoisie, which for two years only, 1849-50, had held power as a class under the republican régime, was able to continue its social existence only by transferring its power to Louis Bonaparte and the army. Under present conditions of enormously increased interdependence of the three most progressive European countries, it is no more possible for the German bourgeoisie extensively to utilize its political power while the same class has outlived itself in England and France.

"It had the peculiarity," he added, "distinguishing it from all other classes, that a point is being reached in its development"

after which every increase in its power, that is, every enlargement of its capital, only tends to make it more and more incapable of retaining political dominance. *"Behind the big bourgeoisie stand the proletarians."* In the degree as the bourgeoisie develops its industry, its commerce, and its means of communication, it also produces the proletariat. At a certain point, which must not necessarily appear simultaneously and on the same stage of development everywhere, it begins to note that this, its second self, has outgrown it. From then on, it loses the power for exclusive political dominance. It looks for allies with whom to share its authority, or to whom to cede all power, as circumstances may demand....

...The bourgeoisie looked around for allies. It sold itself to them regardless of price, and there it remains.

These allies are all of a reactionary turn. It is the king's power, with his army and his bureaucracy; it is the big feudal nobility; it is the smaller junker; it is even the clergy. The bourgeoisie has

¹Marx, *Civil War in France*, Third Address, May 1871. Hosted at Marxists.org <<https://web.archive.org/web/20070703171419/http://marxists.catbull.com/archive/marx/works/1871/civil-war-france/cho5.htm>

²*Ibid.*, Section IV, <<https://www.marxists.org/archive/marx/works/1852/18th-brumaire/cho4.htm>

³Draper, *Karl Marx's Theory of Revolution*, Vol. 1, p. 408.

⁴*Ibid.*, p. 420.

made so many compacts and unions with all of them to save its dear skin, that now it has nothing more to barter.¹

Draper added: "For all of these reasons, state autonomization represents a valuable element of *flexibility* in the state structure."²

In an 1866 letter to Marx (13 Apr. 1866), Engels also wrote of the German bourgeoisie under Bismarck's autocracy:

It is becoming clearer and clearer to me that the bourgeoisie doesn't have the stuff to rule directly itself, and that therefore, where there is no oligarchy as there is here in England to take over, for good pay, the managing of state and society in the interest of the bourgeoisie, a Bonapartist semi-dictatorship is the normal form; it carries out the big material interests of the bourgeoisie even against the bourgeoisie, but deprives the bourgeoisie of any share in the ruling power itself. On the other hand, this dictatorship is itself, in turn, compelled to reluctantly adopt these material interests of the bourgeoisie.³

In his 1872 pamphlet *The Crisis in Prussia*, Engels wrote that "Junkerdom . . . was an encumbrance on the 'Reich.'"

Just as Bismarck had been obliged to put through freedom of trade, freedom of movement, and other bourgeois reforms—albeit in bureaucratically deformed manner—contrary to his previous views, so also the irony of history finally condemned him, the Junker *par excellence*, to lay the ax to Junkerdom

...The Prussian bourgeoisie does not *want* political dominance ; it is rotten before attaining maturity; without having ever enjoyed political rule, it has already reached the same stage of degeneration that the French bourgeoisie attained after eighty years of struggle and a longer period of rule.⁴

Engels, in *Anti-Dühring*, took all this a step further. Not only did the state further the development of capitalism when it, and the bourgeoisie, were as yet underdeveloped; but when capitalism reached a stage of development sufficiently advanced that an increasing share of economic functions became too complex for individual enterprises to coordinate, the capitalist state was compelled to manage them directly on behalf of capital.

This rebellion of the productive forces, as they grow more and more powerful, against their quality as capital, this stronger and stronger command that their social character shall be recognised, forces the capitalist class itself to treat them more and more as social productive forces, so far as this is possible under capitalist conditions. The period of industrial high pressure, with its unbounded inflation of credit, not less than the crash itself, by the collapse of great capitalist establishments, tends to bring about that form of the socialisation of great masses of means of production which we meet with in the different kinds of joint-stock companies. Many of these means of production and of communication are, from the outset, so colossal that, like the railways, they exclude all other forms of capitalistic exploitation. At a further stage of evolution this form also becomes insufficient: the official representative of capitalist society—the state—will ultimately have to undertake the direction of production. This necessity for conversion into state property is felt first in the great institutions for intercourse and communication—the post office, the telegraphs, the railways.⁵

¹Engels, *The Peasant War in Germany* (1850). Preface to Second Edition (1870). Hosted at Marxists.org <<https://web.archive.org/web/20070704154313/http://marxists.catbull.com/archive/marx/works/1850/peasant-war-germany/choa.htm>>.

²Draper, *Karl Marx's Theory of Revolution*, Vol. 1, p. 335.

³Quoted in *Ibid.*, p. 336

⁴Quoted in *Ibid.*, p. 415

⁵Engels, *Anti-Dühring: Herr Eugen Dühring's Revolution in Science* (1877). Translated by Emile Burns from 1894 edition. Part III, Socialism; Ch. 24, Theoretical. Hosted at Marxists.org <<https://web.archive.org/web/20070706105808/http://marxists.catbull.com/archive/marx/works/1877/anti-duhring/ch24.htm>>. He and Engels had, at an earlier time, tentatively speculated on the similar potential of Credit Mobilier under Louis Napoleon. As it bought up shares of industrial capital it would increasingly become a centrally planned money power that allocated capital among industrial firms. When it inevitably crashed, Louis Napoleon might make a bid to bail it out and make it responsible to the state. In that case it would become an instance of central planning by the state, and—if seized by the working class—might be transformed into an organizational base for socialism. Either way, Marx said, "it would either be a despotic govern-

Draper argues that this autonomous role in promoting capitalist development, frequently in ways that a majority of capitalists oppose out of short-term motives, results from the novel nature of the bourgeoisie as a ruling class and its relation to the state.

So much for a general theoretical consideration, at this point. But this much applies across the board to historical change at large. The phenomenon of state autonomization arises also because of a specific characteristic peculiar to the capitalist class:

Of all the ruling classes known to history, the membership of the capitalist class is least well adapted, and tends to be most averse, to taking direct charge of the operation of the state apparatus. The key word is: direct. It is least suitable as a governing class, if we use this term in its British sense to denote not a socioeconomic ruling class but only the social circles from which the state machine tends to derive its personnel.

This characteristic of the bourgeoisie is not altogether new to our discussion. It is the political side of some features of the system that we have already had occasion to mention.

...There is the fact that capitalism enjoys the deepest separation between its economic and political institutions. As early as 1843 Marx was plainly struck by the change that had taken place from feudalism, where economic and political rule were systematically fused in the same personnel.¹

Of course, since Marx wrote on Bonapartism, both the direct role of capitalists in the state machinery and the direct role of the state machinery in managing the capitalist economy have increased in ways Marx could scarcely have imagined (as we shall see in a subsequent chapter on power elite theory).

Another pressure for considerable state autonomy is the extreme extent of divisions within the capitalist class itself.

This exuberance of internal hostilities makes it more difficult for any individual capitalist to be trusted as executor for the class as a whole. For example: especially in critical times, concessions may have to be made to the class enemy below, the working classes. At whose expense? Whose interests are to be shaved for the sacrifice? If an economic depression drives small businesses to the wall, how enthusiastic will representatives of business become about saving them? If there are anti-imperialist threats against our capital abroad, how important is it to capitalist interests as a whole to save the investments of one corporation in Chile or Guatemala? So it goes.

... The special characteristics of capitalism put a premium on finding political leaders who can take, and stick to, an overall and farsighted view of the interests and needs of the system as a whole, rather than the shortsighted, close-up-blurred vision characteristic of the busy profit-seeker.²

The leadership of the state must decide "what is *really* in the best long-range interests of 'society,' that is, capitalist society." And then it is faced with the problem of "imposing this solution on a ruling class which, taken individually, is inherently nearsighted about its own class interests."

It has been quite common for measures absolutely essential to the health and safety of the system to be put over on the capitalist class itself only against the vicious opposition of many or even most practicing capitalists themselves, or in less acute cases, only after violent internecine struggles among interest groups within the class.³

The key difference between Draper and doctrinaire state autonomists like Theda Skocpol, whom we'll consider in a later chapter, is that he still sees the state as taking an autonomous role in promoting the collective interests of capital.

Draper notes, ironically that the very autonomy of the state leaves it vulnerable to take-over as an instrument of control by the dominant component of the capitalist ruling class when one such component clearly overshadows all the rest. Draper gives the dominance of monopoly capital as his primary example.

ment over production and administrator over distribution, or else it would be in fact nothing but a 'board' that kept books and accounts for a society based on labor in common." Draper, *Karl Marx's Theory of Revolution*, Vol. 1, pp. 445-449.

¹Draper, *Karl Marx's Theory of Revolution*, Vol. 1, pp. 321-322.

²Ibid., pp. 323-324.

³Ibid., p. 325.

The state, it would seem, becomes less the executive committee of the ruling class as a whole, and more the executive committee of monopoly capital. Its social base narrows.

Yet, in reality, the state still remains the “committee for managing the common affairs of the whole bourgeoisie” in spite of and through this development. Under conditions of advanced capitalism, the interests of the top strata really *are* the basic interests of the capitalist class as a whole, not in the sense that the fruits of dominance are even-handedly and fairly distributed, but in the sense that capitalism cannot continue at all on any other basis. This is a sense, however true, that is not likely to cheer a small businessman who is forced into bankruptcy by monopoly conditions; but then, after all, the man who is left out of a lifeboat because he would overload it may also have a minority view of the issue. The interests of the class as such are still loyally represented since these interests lie first and foremost in the preservation of the system, and not in the preservation of this or that sector of the system.¹

Since he wrote this, monopoly capital has been supplanted by the extractive FIRE economy at the helm of the capitalist state (as is dealt with in a large body of work by members of the *Monthly Review* group). And the finance capital stratum, arguably, has reached the point where it is *not* promoting the interests of the capitalist economy as a whole (albeit at the expense of sacrificing many individual capitalist interests), but sacrificing the general interests of all capitalists outside the financial sector to further its own short-term extractive interests.

Perhaps we can best summarize by restating Draper's view that Marx's description of the state in Volume 1 of *Capital* as “executive committee of an economic ruling class” was the statement of the norm, in the same sense that in *Capital* he also posited “a ‘pure’ or ‘abstract’ bourgeois economy for the purpose of analyzing its basic laws.” But this treatment of the capitalist economy was “only a beginning,” into which all the elements of complexity and distortion of real-world economies were to be introduced. And so also

a “normal” state . . . must be as hard to find in reality as an “average” person; and no planet actually follows Kepler's Laws even though they are “true.” . . . [T]he states that Marx spent time discussing were all states distorted, or modified, from the “normal” by social stresses, national factors, obsolete hangovers, and so on.

Taking Marx's starting definition of the state as an end-point, or a dogma, “means freezing the theory into a static formula.”

It can make little sense of real political phenomena, which are usually seen in the process of becoming, of change and interaction. In the life course of states—arising, flourishing, and dying—more time is spent in the first and last stages than in the “normal” middle: that is, the “normal” is one of the more abnormal conditions encountered. Even more important, historical attention . . . must tend to focus on problem situations, on critical periods of change and dislocation and revolution, even more than on times of relative stasis. The static formula is a blunt, brittle tool, which breaks off at the first attack on reality.²

The theory of the “normal” state, in its bare simplicity, seems to consist of fairly straightforward instrumentalism. But when applied to the analysis of a widely ranging set of complex realities, it yields tendencies that often resemble structural Marxism or state autonomism.

His analysis of Bonapartism, Draper writes, indicates that “Marx's theory of the state includes provision for historical conjunctures in which a state, completely independent in the fullest sense, cuts loose from its foundations in civil society and turns on them.”³ Thus, even state autonomism to the degree posited by a Theda Skocpol is theoretically compatible with Marx's analysis (although Marx stops short of Skocpol in that, even in his account of the “totally autonomous” Louis Napoleon, the latter nevertheless continued to promote the development of capitalism despite the best efforts of the bourgeoisie to stop him—and perhaps despite himself).

¹*Ibid.*, p. 326.

²*Ibid.*, pp. 22-23.

³*Ibid.*, pp. 460-461.

Now, whether the United States or any of the other representative democracies on which I primarily focus actually *did* reach such a level of state autonomy, as a purely empirical matter, is an entirely different question. I think our surveys below of corporate liberalism, power elite theory, and the disputes over specific case studies between Domhoff and Skocpol, will cast considerable doubt on that possibility.

Theory of the State: Miliband and Instrumentalism

Ralph Miliband wrote *The State in Capitalist Society*, more or less, in the time between the major productive periods of C. Wright Mills and G. William Domhoff (who are the subjects of Chapter Seven). The book is dedicated to the memory of Mills, and Mills' disciple Domhoff in turn is lumped along with Mills and Miliband into the category of "instrumentalists" by James O'Connor's *Kapitalistate* group and Nicos Poulantzas (self-designated "structuralists," in opposition to the instrumentalists). Further complicating the picture is the fact that Paul Sweezy, O'Connor's neo-Marxist colleague in the *Monthly Review* group, was highly admired by Mills as a "plain Marxist." There is little in Sweezy to which either Mills or Miliband would take exception, and Miliband himself has much to say that might have been written by Poulantzas or by state autonomist Theda Skocpol.

The takeaway from all this is that "instrumentalism," as described by Poulantzas *et al.*, is mostly a strawman caricature. The line between the thought of Miliband and Domhoff, on the one hand, and the "structuralists," on the other, is—at the very least—quite permeable.

At the outset of *The State in Capitalist Society*—the book O'Connor, Poulantzas *et al.* had primarily in mind with their backlash against instrumentalism—Miliband complained that Marxist analysis of the role of the state under capitalism "has long been stuck in its own groove." The "groove" he complained of was essentially the very same views attributed to "instrumentalism" by its critics. Of Marx himself, he wrote:

as far as capitalist societies are concerned, his main view of the state throughout is summarised in the famous formulation of the Communist Manifesto: 'The executive of the modern state is but a committee for managing the common affairs of the whole bourgeoisie'. In one form or another the concept this embodies reappears again and again in the work of both Marx and Engels; and despite the refinements and qualifications they occasionally introduced in their discussion of the state—notably to account for a certain degree of independence which they believed the state could enjoy in 'exceptional circumstances'—they never departed from the view that in capitalist society the state was above all the coercive instrument of a ruling class, itself defined in terms of its ownership and control of the means of production.¹

Marxists since, he continues, "have been content to take this thesis as more or less self-evident," and subsequent attempts at an analysis of the state's role have "suffered from an over-simple explanation of the inter-relationship between civil society and the state."²

As Miliband announces in the Preface, the focus of his book is on the role of the state in "advanced capitalist societies"—in other words, largely coextensive with my own project.³ The countries he examines are all highly industrialized, with predominantly private ownership of the mean of production.⁴

¹Ralph Miliband, *The State in Capitalist Society* (New York: Basic Books, 1969), p. 5.

²*Ibid.*, p. 6.

³*Ibid.*, ix.

⁴*Ibid.*, p. 7.

Aside from these two selective criteria, a major element common to all of them is the significant role of the state in their economic life throughout the history of capitalism—a role becoming even more enormous in recent decades.

... [I]t is of course the case that advanced capitalist countries now have an often substantial 'public sector', through which the state owns and administers a wide range of industries and services, mainly but not exclusively of an 'infra-structural' kind, which are of vast importance to their economic life; and the state also plays in all capitalist economies an ever-greater economic role by way of regulation, control, coordination, 'planning', and so forth. Similarly, the state is by far the largest customer of the 'private sector'; and some major industries could not survive in the private sector without the state's custom and without the credits, subsidies and benefactions which it dispenses.

This state intervention in every aspect of economic life is nothing new in the history of capitalism. On the contrary, state intervention presided at its birth or at least guided and helped its early steps, not only in such obvious cases as Germany and Japan but in every other capitalist country as well; and it has never ceased to be of crucial importance in the workings of capitalism, even in the country most dedicated to *laissez faire* and rugged individualism. Nevertheless, the scale and pervasiveness of state intervention in contemporary capitalism is now immeasurably greater than ever before, and will undoubtedly continue to grow; and much the same is also true for the vast range of social services for which the state in these societies has come to assume direct or indirect responsibility.¹

What capitalist ideologues call "free enterprise" and "private property in the means of production" are heavily dependent on ongoing state intervention in the economy—"the bounties and direct support of the state"—and could not exist without it. Contrary to the polemics of capitalism's professional ideologists, such intervention is the primary activity of the capitalist state.²

Miliband rejects the recently popular pluralist thesis of his day, based on the growing role of the state in capitalism and the alleged separation of corporate ownership from control, that Western societies could no longer be adequately described as "capitalist." It remains a fact in such societies that, regardless of the state's much larger role, the great bulk of economic enterprise remains private, and is conducted on a for-profit basis.³

He attaches little significance to the separation of ownership from control. It is true, he says, that in the industrialized capitalist countries a quite small number of people own the major share of wealth, and that their income derives from this ownership. And although many of them continue to directly control the enterprises that are the source of their income, it is also true that a large and growing share of the similarly small number of people who control large business enterprises themselves hold no significant share of ownership in those enterprises. These two groups together are "the class which Marxists have traditionally designated as the 'ruling class of capitalist countries.'" "[I]t is at least possible at this stage," he writes, "to note the existence of economic elites which, by virtue of ownership or control or both, do command many of the most important sectors of economic life."⁴ In *Marxism and Politics*, he adds a layer of nuance:

My own view of the matter is that managerialism, which had already been noted in its early manifestations by Marx, is indeed a major and growing feature of advanced capitalism; and that the separation of ownership and control which it betokens ... does not affect in any substantial way the rationale and dynamic of capitalist enterprise. Those who manage it are primarily concerned, whatever they may or may not own, with the maximization of long-term profit and the accumulation of capital for their particular enterprise: ownerless managers are from this point of view practically indistinguishable from owning ones. What matters in both cases are the constraints imposed upon those involved by the imperative and objectively

¹*Ibid.*, pp. 8-9.

²*Ibid.*, p. 78.

³*Ibid.*, pp. 10-11.

⁴*Ibid.*, p. 15.

determined requirements of capitalist activity. This being the case, it is perfectly legitimate to speak of a 'capitalist class', occupying the upper rungs of the economic ladder, whatever its members may own, and controlling the operations of capitalist enterprise.¹

Despite their similarities in economic structure, industrial capitalist societies in the 20th century have varied widely in political structure, ranging from liberal democracies to German Nazism and Japanese militarism. Nevertheless, since WWII representative, multi-party democracies have predominated overwhelmingly.²

Miliband begins his own examination of capitalism by noting 1) the extreme concentration of wealth in most capitalist societies³, and 2) the fact that the alleged separation of ownership from control and independence of management are greatly exaggerated.⁴ In regard to the latter not only is corporate management largely recruited from the upper strata of society—thus sharing much of the same material interests and class background as the owning classes—but the same is true in general of those who man the "command posts" of capitalist society.⁵

Next, he clarifies the nature of the state, distinguishing it from "government." The state itself "is not a thing," and "does not, as such, exist."

What 'the state' stands for is a number of particular institutions which, together, constitute its reality, and which interact as parts of what may be called the state system.

The point is by no means academic. For the treatment of one part of the state—usually the government—as the state itself introduces a major element of confusion in the discussion of the nature and incidence of state power; and that confusion can have large political consequences. Thus, if it is believed that the government is in fact the state, it may also be believed that the assumption of governmental power is equivalent to the acquisition of state power.... To understand the nature of state power, it is necessary first of all to distinguish, and then to relate, the various elements which make up the state system.⁶

The government "speak[s] in the name of the state and is formally *invested* with state power"; it exercises the state's actual Weberian monopoly of force over a territory. But it need not be strong relative to the other components of the state it fronts for; it might indeed be relatively feeble compared to them.⁷ There is much more to the state.

A second element of the state system which requires investigation is the administrative one, which now extends far beyond the traditional bureaucracy of the state, and which encompasses a large variety of bodies, often related to particular ministerial departments, or enjoying a greater or lesser degree of autonomy—public corporations, central banks, regulatory commissions, etc.—and concerned with the management of the economic, social, cultural and other activities in which the state is now directly or indirectly involved. The extraordinary growth of this administrative and bureaucratic element in all societies, including advanced capitalist ones, is of course one of the most obvious features of contemporary life; and the relation of its leading members to the government and to society is also crucial to the determination of the role of the state.

Formally, officialdom is at the service of the political executive, its obedient instrument, the tool of its will. In actual fact it is nothing of the kind. Everywhere and inevitably the administrative process is also part of the political process; administration is always political as well as executive, at least at the levels where policy-making is relevant, that is to say in the upper layers of administrative life.⁸

The third element, he continues, is the military—"to which may, for present purposes, be added the para-military, security and police forces of the state, and which together form

¹Miliband, *Marxism and Politics* (Oxford, London, Glasgow, New York, &c.: Oxford University Press, 1977), p. 27.

²Miliband, *The State in Capitalist Society*, p. 21.

³*Ibid.*, pp. 25-28.

⁴*Ibid.*, pp. 29-39.

⁵*Ibid.*, pp. 39-48.

⁶*Ibid.*, p. 49.

⁷*Ibid.*, p. 50.

⁸*Ibid.*, p. 50.

that branch of it mainly concerned with the ‘management of violence’.”¹ Fourth and fifth are the judiciary and the “units of sub-central government.”² Finally, representative or parliamentary assemblies, whose relationship to the executive is simultaneously “cooperative and critical.”³

It may be true that business representation of government is not overwhelming in absolute numbers, Miliband writes; nevertheless it is not negligible, and it is especially pronounced in certain state sectors tasked with management of the economy. A notable feature of advanced capitalism is the extent to which it is characterized by businessmen’s “growing colonisation of the upper reaches of the administrative part of that system.”⁴

Much the same kind of business predominance over other economic groups is to be found in the financial and credit institutions of the state, and in the nationalised sector. The creation of that sector has often been thought of as removing an important area of economic activity from capitalist control and influence. But quite apart from all the other forces which prevent a subsidiary nationalised sector from being run on other than orthodox lines, there is also the fact that business has carved out an extremely strong place for itself in the directing organs of that sector; or rather, that business has been invited by governments, whatever their political coloration, to assume a major role in the management and control of the public sector....

The notion that businessmen are not directly involved in government and administration (and also in parliamentary assemblies) is obviously false. They are thus involved, ever more closely as the state becomes more closely concerned with economic life; wherever the state ‘intervenes’, there also, in an exceptionally strong position as compared with other economic groups, will businessmen be found to influence and even to determine the nature of that intervention.

It may readily be granted that businessmen who enter the state system, in whatever capacity, may not think of themselves as representatives of business in general or even less of their own industries or firms in particular. But even though the *will* to think in ‘national’ terms may well be strong, businessmen involved in government and administration are not very likely, all the same, to find much merit in policies which appear to run counter to what they conceive to be the interests of business, much less to make themselves the advocates of such policies, since they are almost by definition most likely to believe such policies to be inimical to the ‘national interest’. It is much easier for businessmen, where required, to divest themselves of stocks and shares as a kind of *rite de passage* into government service than to divest themselves of a particular view of the world, and of the place of business in it.⁵

And aside from the degree of direct business representation in government, as such, it is nevertheless true that business management and state management are both drawn from the same upper social and economic strata.⁶

Next Miliband proceeds to examine what bourgeois democratic governments actually do. There is a colorful and sometimes violent clash of partisan rhetoric and the contrast politicians present between their own programmes and what their opponents intend to achieve. Partisan propagandists point to this as evidence that the next election is a life or death matter, and interest group pluralists take it as proof that the system is a genuine democracy that presents real and fundamental differences for the voters. Nevertheless,

one of the most important aspects of the political life of advanced capitalism is precisely that the disagreements *between those political leaders who have generally been able to gain high office* have very seldom been of the fundamental kind these leaders and other people so often suggest. What is really striking about these political leaders and political office-holders, in relation to each other, is not their many differences, but the extent of their agreement on truly fundamental issues...⁷

¹*Ibid.*, p. 51.

²*Ibid.*, p. 52.

³*Ibid.*, p. 53.

⁴*Ibid.*, p. 57.

⁵*Ibid.*, pp. 57-59.

⁶*Ibid.*, p. 59.

⁷*Ibid.*, p. 69.

The leaders of the major bourgeois parties all accept the basic foundational elements of capitalism, and even nominally working class or socialist parties like Labour or Social Democrats have accepted the “basic framework and essential features... [of capitalism] much more readily than their pronouncements in opposition, and even sometimes in office, would have tended to suggest.”

In this sense, the pattern of executive power has remained much more consistent than the alternation in office of governments bearing different labels and affecting different colorations has made it appear capitalist regimes have mainly been governed by men who have either genuinely believed in the virtues of capitalism, or who, whatever their reservations as to this or that aspect of it, have accepted it as far superior to any possible alternative economic and social system, and who have therefore made it their prime business to defend it. Alternatively, these regimes have been governed by men who, even though they might call themselves socialists, have not found the commitment this might be thought to entail in the least incompatible with the ready, even the eager, acceptance of all the essential features of the system they came to administer.¹

In cases where social democratic parties achieve a majority government in their own right, in parliamentary democracies,

social-democratic leaders, in their moment of victory, and even more so after, have generally been most concerned to reassure the dominant classes and the business elites as to their intentions, to stress that they conceived their task in ‘national’ and not in ‘class’ terms, to insist that their assumption of office held no threat to business; and, in the same vein, they have equally been concerned to urge upon their followers and upon the working classes generally the virtues of patience, discipline and hard work, to warn them that electoral victory and the achievement of office by their own leaders must on no account serve as an encouragement to the militant assertion of working-class demands upon employers, propertied interests and the government itself, and to emphasise that the new ministers, faced with immense responsibilities, burdens and problems, must not be impeded in their purpose by unreasonable and unrealistic pressures. The leaders, once in office (and often before) are always more ‘moderate’ than their followers. Here is one variant of the ‘iron law of oligarchy’ which—at least in the countries of advanced capitalism—has admitted of no exception. That most of the led have with greater or lesser reluctance tended to accept their leaders’ ‘moderate’ stance is a matter of great importance, the significance of which will be considered later. At any rate, new governments of the left have always been at great pains to *subdue* popular expectations, and to emphasise that while there was much they wished to do by way of reform, capitalist interests would find, if they did not know it already, that they were dealing with eminently reasonable and responsible men, acutely aware, unlike many of their followers, that Rome was not built in a day, and that its building must in any case be approached with the utmost circumspection.²

Social democratic leaders “have found in the difficult conditions they inevitably faced a ready and convenient excuse for the conciliation of the very economic and social forces they were pledged to oppose, and for the reduction of their own ambitions to the point where these have ceased to hold any kind of threat to conservative forces.”³

The Labour government in the UK under Atlee is a clear example. The single biggest failure of the postwar Labour government was Herbert Morrison’s continuation of the capitalist managerial model within nationalized industries. He was given free rein for his managerialist sympathies in carrying out the nationalization policy under Atlee. Far from a radical change in the economic structure, Labour’s nationalization campaign included generous compensation for the capitalist owners—in many cases more generous than the revenues they could have expected under a continuation of their own ownership—and a businesslike management model in which enterprises would continue to be governed in essentially the same way as before and labor would play no part. The coal industry made out better from its com-

¹*Ibid.*, p. 70.

²*Ibid.*, pp. 99-100.

³*Ibid.*, p. 101.

pensation under the nationalization regime “than they could conceivably have done had the industry remained in private ownership.”¹

Directly related to Morrison’s view of nationalization was the Executive’s refusal to commit itself to any kind of experiment in industrial democracy.... At the 1945 Conference, one composite resolution (later withdrawn) demanded a far more extensive programme of nationalization and also asked the Party to pledge itself ‘to secure the democratic control and operation of these (nationalized) institutions by the workers and technicians’. This latter demand, Morrison said, did not ‘demonstrate good socialization in its method of administration and management’.²

Morrison’s management model was a public corporation on the BBC model, with essentially no worker influence outside the collective bargaining process. In return for the repeal of significant amounts of anti-union legislation, the Labour government “expected, and received, from the trade unions a measure of co-operation in the maintenance of industrial discipline....” And the Labour government used troops as scabs to carry out essential functions during many of the strikes that did occur.³

From the beginning, the nationalization proposals of the Government were designed to achieve the sole purpose of improving the efficiency of a capitalist economy, not as marking the beginning of its wholesale transformation....

... [T]he Government’s conception of public ownership ensured the predominance on the boards of the nationalized corporations of men who had been, or who were, closely associated with private finance and industry....⁴

The overall effect was such that “the enlarged ‘public sector’, far from proving in any sense an embarrassment—let alone a threat—to the private sector, would in fact become an exceedingly useful adjunct to it.”⁵ In short “nationalisation not only did not weaken British capitalism; in some essential regards it strengthened it.” This was entirely intentional, because Labour’s goal was in part to modernize capitalist enterprise; its nationalization program was not that of a government that saw it as the opening wedge of a continuing campaign of nationalization to seize control of the “commanding heights” of the economy.⁶

So the Labour Government, in effect, simply acted as managers on behalf of the capitalists.

By the late 50s Labour under Gaitskell, having shifted to a policy focus centered on “consolidation” of previous gains and then been turned out of office altogether, was “obsessed” with the need for “electoral success”—the “essential condition” for which was “to present the Labour Party as a moderate and respectable party, free from class bias, ‘national’ in outlook.”⁷

This is not to deny that there are genuine second-order differences between parties on the approach to governing capitalism; but they are, very much, second order.

However, even if we leave out for the present the particular role of formally socialist power-holders, it must be stressed again that this basic consensus between bourgeois politicians does not preclude genuine and important differences between them, not only on issues other than the actual management of the economic system, but on that issue as well.

Thus, it has always been possible to make an important distinction between parties and leaders, however committed they might be to the private enterprise system, who stood for a large measure of state intervention in economic and social life, and those who believed in a lesser degree of intervention; and the same distinction encompasses those parties and men who have believed that the state

¹Miliband, *Parliamentary Socialism: A Study in the Politics of Labour* (New York: Monthly Review Press, 1964), p. 288; Miliband, *The State in Capitalist Society* (New York: Basic Books, 1969), p. 108.

²*Ibid.*, pp. 279-280.

³*Ibid.*, p. 287.

⁴*Ibid.*, p. 288.

⁵Miliband, *The State in Capitalist Society*, p. 108.

⁶*Ibid.*, p. 109.

⁷Miliband, *Parliamentary Socialism*, p. 339.

must assume a greater degree of responsibility for social and other kinds of reform; and those who have wished for less.

This quarrel between strong interventionists and their opponents has been and remains a perfectly genuine one. No doubt, no serious politician—however bourgeois and convinced of the virtues of private enterprise—would now wish or be able to dismantle the main structure of state intervention; and indeed it is often the most capitalist-oriented politicians who see most clearly how essential that structure of intervention has become to the maintenance of capitalism. Even so, sufficient differences endure about the desirable extent, the character and the incidence of intervention, to make the debate around such questions... a serious and meaningful one, upon whose outcome depends much which affects many aspects of public policy and many individual lives. From this point of view at least, competition between these men is by no means a complete sham.

But the fact nevertheless remains that these differences and controversies, even at their most intense, have never been allowed by the politicians concerned to bring into question the validity of the 'free enterprise' system itself; and even the most determined interventionists among them have always conceived their proposals and policies as a means, not of eroding—let alone supplanting—the capitalist system, but of ensuring its greater strength and stability.¹

Of course, the greatest success of the educational and propaganda system is seen in the people running the capitalist state. If anything, bourgeois politicians serve capitalism more efficiently owing to their belief that they are not doing so. It is entirely typical for them to see themselves as above politics, or serving the general interest—and quite sincerely so—"even when they appear to others to exhibit the most blatant class bias in their policies and actions."²

Bourgeois politicians and governments view the system in—precisely opposite terms [to those of socialists]—as most closely congruent with human nature', as uniquely capable of combining efficiency, welfare and freedom, as the best means of releasing human initiative and energy in socially beneficent directions, and as providing the necessary and only possible basis for a satisfactory social order.

Anyway, why speak of 'capitalism' at all, with its emotive and propagandists evocations of a system which no longer *really* exists, and which has been replaced by an 'industrial system' in which private enterprise, though still the essential motor of the economy, is now much more 'responsible' than in the past, and whose purposes are now in any case closely supervised by the democratic state?³

The capitalist governing classes see the deficiencies of capitalism not as deficiencies of *capitalism* at all, but "as separate and specific 'problems', remediable within its confines—in fact *only* remediable within its confines."⁴

The state in capitalist society does not have to be directly controlled by capitalists, or staffed by capitalist personnel, to find itself constrained by the nature of the system it works within.

But facing structural constraints to serve the general interests of the capitalist system is not the same as uncritically serving the immediate wants of capitalists. Hence government policies which limit the rate of extraction to sustainable levels, and limit the immiseration of labor, in the interest of maximizing profit in the long-run.

... [G]overnments, acting in the name of the state, have in fact been compelled over the years to act against *some* property rights, to erode *some* managerial prerogatives, to help redress *somewhat* the balance between capital and labour, between property and those who are subject to it....

The state's 'interference' with that power is not in 'fundamental opposition' to the interests of property: it is indeed part of that 'ransom' of which Joseph Chamberlain spoke in 1885 and which, he said, would have to be paid precisely for the purpose of *maintaining* the rights of property in general. In insisting that the 'ransom' be paid, governments render property a major service, though the latter is seldom grateful for it. Even so, it would not do to ignore the fact that even very conservative

¹Miliband, *The State in Capitalist Society*, pp. 71-72.

²*Ibid.*, p. 73.

³*Ibid.*, pp. 73-74.

⁴*Ibid.*, p. 74.

governments in the regimes of advanced capitalism have often been forced, mainly as a result of popular pressure, to take action against *certain* property rights and capitalist prerogatives.¹

All this notwithstanding, the state's intervention is often distorted considerably toward the short-term interests of capital, when it comes to things like labor relations, redistributive policies, and the like, even when the longer-term interests of labor peace, aggregate demand and other stability-related concerns would be optimized by a more "progressive" policy.² This extends even to nominally "social democratic" or "working class" parties, as we saw above, when it comes to actual policies undertaken when they are in power.³ We see such tendencies not only in the case of the Atlee government in the UK, but in the American context in the fairly strident anti-communism of liberal entities like the ADA and CIO establishment during the Cold War. Indeed we can go back at least far as the Ebert government's betrayal of the left in post-WWI Germany.

Although state autonomists make much of the independence of the state's foreign policy goals, and their drivenness by purely geopolitical or prestige concerns, Miliband argues that this "independence" is considerably less than it appears. States are no less constrained by the structural features of the economic system in foreign affairs than in domestic.

Here, perhaps even more than in other fields, the purposes which governments proclaim their wish to serve are often made to appear remote from specific economic concerns, let alone capitalist interests. It is the national interest, national security, national independence, honour, greatness, etc. that is their concern. But this naturally includes a sound, healthy, thriving economic system; and such a desirable state of affairs depends in turn on the prosperity of capitalist enterprise. Thus, by the same mechanism which operates in regard to home affairs, the governments of capitalist countries have generally found that their larger national purposes required the servicing of capitalist interests...⁴

Regarding the autonomy of the state in general, Miliband refers back to Marx's comments on Bonapartism in *The Eighteenth Brumaire of Louis Bonaparte*, and evaluates them in light of history. If anything since Bonapartism would seem to exemplify "independence of the state power from all forces in civil society," it would be European fascism. But Hitler modified the program of the NSDAP to appease German industrial leaders before he was allowed to assume power, and purged the Strasserites to complete the deal; and the Nazi regime pursued an essentially corporatist policy in which the major business interests were allowed to plan the economy for their own profit to the very end.⁵

Marx's own framing of the concept implied not only state *autonomy*, but a certain degree of *neutrality* as well—however that implication of neutrality is something which "actual experience belies." And Marx himself, Miliband notes, treats the example of Louis Bonaparte's coup as the only example of genuine independence. Further, Marx stipulated that even the regime of the Second Empire was "not suspended in mid-air," but faced material constraints resulting from the nature of the economic system. Neither under Bonaparte nor under Hitler and Mussolini were all classes *equally* powerless and mute before the rifle butt.⁶ And as we saw in the previous chapter, these objective material constraints compelled Bonaparte to play a huge role in building industrial capitalism in France.

The civil service or administrative state is also a conservative force in capitalist democracy, given not only the values of career administrators (which for the most part take the norms of the existing system as a given) and their instinct to "limit the damage" caused by radical

¹*Ibid.*, pp. 77-78.

²*Ibid.*, pp. 78-82.

³*Ibid.*, p. 82.

⁴*Ibid.*, pp. 83-84.

⁵*Ibid.*, pp. 92-93.

⁶*Ibid.*, pp. 93-94.

elected governments, but by the considerable overlap and rotation in personnel between the administrative state and the administrative strata of corporate enterprise.¹

Having surveyed the economic class structure of capitalist democracies and the internal class makeup of the state, he proceeds to consider the outside influences on state policy.

What is wrong with pluralist-democratic theory is not its insistence on the fact of competition but its claim (very often its implicit assumption) that the major organised 'interests' in these societies, and notably capital and labour, compete on more or less equal terms, and that none of them is therefore able to achieve a decisive and permanent advantage in the process of competition.

In response, he seeks to show that "business enjoys a massive superiority *outside* the state system..., in terms of the immensely stronger pressures which, as compared with labour and any other interest, it is able to exercise in the pursuit of its purposes."² In short, the pluralist view that business "is but one of the many 'veto groups' in capitalist society, on a par with other 'veto groups', must appear as a resolute escape from reality."³

Foreshadowing the structuralists, Miliband puts a remarkable amount of stress on "the pervasive and permanent pressure upon governments and the state generated by the private control of concentrated industrial, commercial and financial resources," completely aside from any lobbying or political activity by business.⁴ The resulting parameters of feasible state intervention in the economy are, as a result, far narrower than the state's formally defined regulatory powers would suggest.⁵ The economic power of business—the danger of "loss of business confidence," capital flight, etc.—is by far the biggest source of structural pressure on the state to serve the interests of capital. And on an international scale, supposedly "radical" or "socialist" governments face similar pressures from global capital—not only the ability of individual capitalist firms to transfer operations across national borders, or the disciplinary power of multilateral institutions like the IMF, but the threat of sanctions by other states in the "international community."⁶

Miliband concludes by reflecting on the range of forms of governance taken by the capitalist state under various conditions, ranging from the significant degree of civil liberty permitted by most Western capitalist states in recent years, to the authoritarianism to which some have resorted in periods of crisis. He reflects, likewise, on the dual character of reformist attempts through the capitalist state in bourgeois democracies: their general form is dictated by the structural needs of the capitalist system; yet they can be genuinely ameliorative, and of significant benefit to the subordinate classes. Despite the periodic resort to authoritarianism even of capitalist democracies like the United States when threatened, socialists should not dismiss the genuine nature of what liberties prevail.

Yet, when all this and more has been said about the limits and contingent character of civic and political liberties under 'bourgeois democracy', and when the fact has been duly noted that some of these liberties are a mere cloak for class domination, it remains the case that many others have constituted an important and valuable element of life in advanced capitalist societies; and that they have materially affected the encounter between the state and the citizen, and between the dominant classes and the subordinate ones. It is a dangerous confusion to believe and claim that, because 'bourgeois freedoms' are inadequate and constantly threatened by erosion, they are therefore of no consequence. For all its immense limitations and hypocrisies, there is a wide gulf between 'bourgeois democracy' and the various forms of conservative authoritarianism, most notably Fascism, which have provided the alternative type of political regime for advanced capitalism. The point of the socialist critique of 'bourgeois freedoms' is not (or should not be) that they are of no consequence, but

¹*Ibid.*, pp. 119-129.

²*Ibid.*, p. 146.

³*Ibid.*, p. 155.

⁴*Ibid.*, p. 147.

⁵*Ibid.*, p. 148.

⁶*Ibid.*, pp. 153-154.

that they are profoundly inadequate, and need to be extended by the radical transformation of the context, economic, social and political, which condemns them to inadequacy and erosion.¹

The important question, he continues, is whether, to what extent, and for how long Western capitalist states can continue to maintain these bourgeois liberties, through whatever crises capitalism may face in the future.² Miliband wrote against the background of the Civil Rights and antiwar movements, university radicalism, and the general turmoil of the '60s in the United States (as well as similar developments in Paris and Prague).

Faced with this pressure, and conscious of the general malaise which produces it, power-holders respond in two ways. First, they proclaim their own will to reform. Never, it is safe to say, has the language of orthodox politics been more generous with words like reform, renewal, even revolution. No politician, however reactionary, is now simply 'conservative'. We may not all be socialists now: but we are all ardent social reformers. Much of the crusading rhetoric which is now part of the common currency of politics is no doubt utterly bogus. But some of it is not. It would be trivial to depict the men in whose hands state power lies as entirely indifferent to poverty, slums, unemployment, inadequate education, starved welfare services, social frustration, and many other ills which afflict their societies. To take such a view would be to engage in a crude and sentimental demonology, which conceals the real issue.

The trouble does not lie in the wishes and intentions of power-holders, but in the fact that the reformers, with or without inverted commas, are the prisoners, and usually the willing prisoners, of an economic and social framework which necessarily turns their reforming proclamations, however sincerely meant, into verbiage....

Reform, in such circumstances, is, of course, possible. But save in exceptional cases, when popular pressure is unusually strong, it is also stunted, inadequate, incapable of resolving the problems and removing the grievances which gave rise to the pressure for change in the first place. Even this kind of reform may help to mitigate some at least of the worst 'dysfunctionalities' of capitalist society; and, as has been stressed here repeatedly, this mitigation is indeed one of the most important of the state's attributions, an intrinsic and dialectical part of its role as the guardian of the social order. Nevertheless, reform always and necessarily falls far short of the promise it was proclaimed to hold: the crusades which were to reach 'new frontiers', to create 'the great society', to eliminate poverty, to abolish the class struggle, to assure justice for all, etc., etc.—the crusades regularly grind to a halt and the state comes under renewed and increased pressure.

In order to meet it, the state then exercises a second option, namely repression; or rather, reform and repression are tried simultaneously. These are not alternative options but complementary ones. However, as reform reveals itself incapable of subduing pressure and protest, so does the emphasis shift towards repression, coercion, police power, law and order, the struggle against subversion, etc. Faced as they are with intractable problems, those who control the levers of power find it increasingly necessary further to erode those features of 'bourgeois democracy' through which popular pressure is exercised. The power of representative institutions must be further reduced and the executive more effectively insulated against them. The independence of trade unions must be whittled away, and trade union rights, notably the right to strike, must be further surrounded by new and more stringent inhibitions. The state must arm itself with more extensive and more efficient means of repression, seek to define more stringently the area of 'legitimate' dissent and opposition, and strike fear in those who seek to go beyond it.

This process has strongly cumulative tendencies. For no more than repression does repression achieve its purpose. On the contrary, the more the state seeks to repress, the greater is the opposition it is likely to engender; and the more opposition it engenders, the greater are the powers which it must invoke. It is along that road that lies the transition from 'bourgeois democracy' to conservative authoritarianism.

This transition need not assume a dramatic character, or require a violent change in institutions. Neither its progression nor its end result need be identical with the Fascism of the interwar years. It is indeed most unlikely to assume the latter's particular forms, because of the discredit which has not ceased to be attached to them, and of the loathing which Fascism has not ceased to evoke.... Nor is all this a distant projection into an improbable future: it describes a process which is already in train,

¹*Ibid.*, pp. 266-267. Perhaps the most important real difference between a typical bourgeois representative democracy and a full-blown authoritarian regime, he writes in a later work, is that "the latter always make it their first task to destroy the defence organizations of the working class—trade unions, parties, co-operatives, associations, and so on." *Marxism and Politics*, p. 91.

²Miliband, *The State in Capitalist Society*, p. 267.

and which is also, in the condition of advanced capitalism, more likely to be accentuated than reversed. The gradual transition of capitalism into socialism may be a myth: but the gradual transition of 'bourgeois democracy' into more or less pronounced forms of authoritarianism is not.¹

So far, we've already seen a degree of nuance in Miliband's analysis, regarding the necessary distance between the state and capital and its response to structural imperatives, that belies the cartoonish "instrumentalism" attributed to him by his structuralist and state autonomist critics. But if anything, in his subsequent writing he became even more hostile to simplistic treatments of the state as the mere instrument of capital. Indeed many of his comments seem to allude directly to the insights of structuralism and state autonomism.

In his article "The State" for *A Dictionary of Marxist Thought*, he refers specifically to Poulantzas's insights in a favorable tone.

He argues in the Introduction to *Marxism and Politics* that there is no "Marxist" position on the state in the sense of a single line consistently adhered to by Marx and Engels themselves. "Not only are the texts susceptible to different and contradictory interpretations: they also do actually incorporate tensions, contradictions, and unresolved problems which form an intrinsic part of Marxist political thought."²

The passage in the *Manifesto* regarding the executive as committee for managing the common affairs of the bourgeoisie, he writes,

is not nearly so simple and straightforward a formulation as it has commonly been interpreted to be. In fact, it presents, as do all Marxist formulations on the state, many problems which need careful probing. I do not mean by this that the general perspective is false: on the contrary, I think that it is closer to the political reality of class societies than any other perspective. But it is not a magic formula which renders the interpretation of that reality unproblematic. There is no such formula.³

Indeed the very concept of a ruling class raises more questions than it answers; and the seemingly simple quotation from the *Manifesto*, on closer examination, suggests quite complex relations between the ruling class and the state. The term "ruling class"

assumes that class power is automatically translated into state power. In fact, there is no such automatic translation: the question of the relation between class power and state power constitutes a major problem, with many different facets. Even where that relation can be shown to be very close, a number of difficult questions remain to be answered, or at least explored. Not the least of these questions concerns the forms which the state assumes, and why it assumes different forms, and with what consequences.

But the very first thing that is needed is to realize that the relation between the 'ruling class' and the state is a problem, which cannot be assumed away. Indeed, the problem is implicit in the formulation from the *Manifesto* which I have quoted earlier. For the reference to 'the common affairs of the whole bourgeoisie' clearly implies that the bourgeoisie is a social totality made up of different and therefore potentially or actually conflicting elements, a point which... must be taken as axiomatic for all classes; while 'common affairs' implies the existence of particular ones as well. On this basis, there is an absolutely essential function of mediation and reconciliation to be performed by the state ...⁴

Miliband considers the "committee for managing the common affairs of the ruling class" statement to be broadly correct. He enumerates functions of the capitalist state, in serving the overall needs of the capitalist system:

(a) the maintenance of law and order' in the territorial area or areas over which the state is formally invested with sovereignty—the repressive function; (b) the fostering of consensus in regard to the existing social order, which also involves the discouragement of 'dissensus'—the ideological, cultural function; (c) the economic function in the broad sense of the term; and (d) the advancement, so far

¹Ibid., pp. 270-272.

²Miliband, *Marxism and Politics*, pp. 5-6.

³Ibid., p.67.

⁴Ibid., pp. 67-68.

as is possible, of what is held to be the 'national interest' in relation to external affairs—the international function.¹

Nevertheless, this supposed founding father of "instrumentalism" explicitly dismisses as overly simplistic the very concept of the state as an instrument.

But if the state is to perform this mediating and reconciling function for what are, in effect, different elements or fractions of the bourgeoisie, which have different and conflicting interests, it clearly must have a certain degree of autonomy in relation to the 'ruling class'. In so far as that class is not monolithic, and it never is, it cannot act as a principal to an agent, and 'it' cannot simply use the state as 'its' instrument. In this context, there is no 'it', capable of issuing coherent instructions, least of all in highly complex, fragmented and 'old' societies, where a long process of historical development has brought to predominance a 'ruling class' which harbours many different interests and fractions. This is not to deny the acceptability, with various qualifications, of the term, but only to suggest that the relation of the 'ruling class' to the state is always and in all circumstances bound to be problematic.²

Acting in accordance with the general or long-term interests of the proprietors often presents the state with the structural necessity to act against their short-term or particular interests. Although capitalists are quite class-conscious in terms of understanding their economic interests,

the clear perception of the interests of a class in no way betokens a clear perception of the ways in which these interests may best be defended. Also, as a matter of historical fact, privileged classes have very often been short-sighted in this respect, and have needed the skills and adroitness of agents acting on their behalf but with a sufficient degree of independence to mitigate if not to overcome the short-sightedness of their masters.³

He also echoes Engels, from *Anti-Dühring*, in describing the ways the state increasingly takes over functions from capital when the latter becomes less capable of performing them.

In periods of acute social crisis and conflict, class power does tend to be taken over by the state itself, and indeed gladly surrenders to it; and it may well be argued that, even in the 'normal' circumstances of advanced capitalism, the state takes over more and more of the functions hitherto performed by the dominant class, or at least takes a greater share in the performance of these functions than was the case in previous periods.⁴

Miliband himself, perhaps ironically given that he is writing after the critiques of "instrumentalism" by O'Connor et al, proposes "the simplest possible question, namely why, in Marxist terms, the state should be thought to be the 'instrument' of a 'ruling class'...." He then proceeds to survey the mechanisms by which Marxists have described the working of this "instrumental" role.

The first—the one for which structuralists have most chidden "instrumentalists"—is the direct representation of capitalists in the state apparatus.

...[T]he people who are located in the commanding heights of the state, in the executive, administrative, judicial, repressive and legislative branches, have tended to belong to the same class or classes which have dominated the other strategic heights of the society, notably the economic and the cultural ones.... Where the people concerned, it is usually added, are not members of the bourgeoisie by social origin, they are later recruited into it by virtue of their education, connections, and way of life.⁵

Although the heavy representation of the bourgeoisie in the state apparatus, and the tendency of the state to promote the interests of capitalist enterprise, are "easily verifiable by a wealth of evidence," the argument is still open to a number of serious objections which

¹*Ibid.*, p. 90.

²*Ibid.*, p. 68.

³*Ibid.*, pp. 31-32.

⁴*Ibid.*, p. 56.

⁵*Ibid.*, pp. 68-69.

“suggest that the correlation which can be established in class terms between the state élite and the economically dominant class is not *adequate* to settle the issue” (emphasis mine).¹

One such objection is the number of exceptions to the correlation between the class makeup of the state and its promotion of capitalist interests—e.g., the disproportionate representation of the landed aristocracy in the British state, long after Great Britain had become the dominant industrial capitalist economy in the world. In other countries, likewise—the same countries previously mentioned as examples of Bonapartism, for the most part—landed aristocracies have played a leading role in promoting capitalist industrialization.²

The same problem arises from the state’s service to capitalist interests despite heavy representation of the petty bourgeoisie and working class in its apparatus. And not only has there not been any decisive and conclusive determination of state policy by class representation in the state, but there have been cases—as in the New Deal—where a state dominated by representatives of the bourgeoisie made policies overwhelmingly opposed by capitalist interests.³ In this latter regard, Miliband cites Gramsci on the possibility of petty bourgeois state functionaries overruling capitalist interests:

In the *Prison Notebooks*, Gramsci asks: ‘Does there exist, in a given country, a widespread social stratum in whose economic life and political self-assertion... the bureaucratic career, either civil or military, is a very important element?’, and he answered that ‘in modern Europe, this stratum can be identified in the medium and small rural bourgeoisie, which is more or less numerous from one country to another’, and which he saw as occasionally capable of ‘laying down the law’ to the ruling class...⁴

Second, the state’s instrumental role in service to capitalists is “the economic power which that class is able to wield by virtue of its ownership and control of economic and other resources, and of its strength and influence as a pressure group, in a broad meaning of the term.”⁵ As with the previous argument, there is “much strength” in this one; but this, too, is open to objections that render it less than conclusive.

Capitalist enterprise is undoubtedly the strongest ‘pressure group’ in capitalist society; and it is indeed able to command the attention of the state. But this is not the same as saying that the state is the ‘instrument’ of the capitalist class; and the pressure which business is able to apply upon the state is not in itself sufficient to explain the latter’s actions and policies. There are complexities in the decision-making process which the notion of business as pressure group is too rough and unwieldy to explain. There may well be cases where that pressure is decisive. But there are others where it is not. Too great an emphasis upon this aspect of the matter leaves too much out of account.⁶

Besides direct representation of capitalists in the state, and direct pressure from capitalist enterprise from outside, we have a third, structural explanation of “an objective and impersonal kind.”

In essence, the argument is simply that the state is the ‘instrument’ of the ‘ruling class’ because, given its insertion in the capitalist mode of production, it cannot be anything else. The question does not, on this view, depend on the personnel of the state, or on the pressure which the capitalist class is able to bring upon it: the nature of the state is here determined by the nature and requirements of the mode of production. There are ‘structural constraints’ which no government, whatever its complexion, wishes, and promises, can ignore or evade. A capitalist economy has its own ‘rationality’ to which any government and state must sooner or later submit, and usually sooner.⁷

¹*Ibid.*, p. 69.

²*Ibid.*, p. 70.

³*Ibid.*, p. 71.

⁴*Ibid.*, p. 71n.

⁵*Ibid.*, p. 71.

⁶*Ibid.*, p. 72.

⁷*Ibid.*, p. 72.

Like the previous two, this argument has a “great deal of strength,” but also “has certain deficiencies which can easily turn into crippling weaknesses.”¹ The argument’s strength lies in its usefulness for explaining why radical parties, despite offering the most thorough-going reforms, once in power fail to carry them out. Its weakness is that it begs the question of just how constraining these constraints actually are, and seems to rule out the possibility of any significant change *a priori*.

the temptation is to fall into what I have called a ‘hyper-structuralist’ trap, which deprives ‘agents’ of any freedom of choice and manoeuvre and turns them into the ‘bearers’ of objective forces which they are unable to affect. This perspective is but another form of determinism—which is alien to Marxism and in any case false, which is much more serious. Governments can and do press against the ‘structural constraints’ by which they are beset. Yet, to recognize the existence and the importance of these constraints is also to point to the *limits of reform...*, and to make possible a strategy of change which attacks the mode of production that imposes the constraints.²

These three explanations taken together have considerably more force than they do taken separately, and show for the most part that the state acts *on behalf* of capital. But they still fail to show that it always acts at its *behest*. Miliband argues that the state possesses a degree of autonomy which, although falling short of what Theda Skocpol posits, nevertheless shows it to be no mere “instrument” wielded by any economic class.

But it enjoys a high degree of autonomy and independence in the manner of its operation as a class state, and indeed must have that high degree of autonomy and independence if it is to act as a class state. The notion of the state as an ‘instrument’ does not fit this fact, and tends to obscure what has come to be seen as a crucial property of the state, namely its relative autonomy from the ‘ruling class’ and from civil society at large. This notion of the relative autonomy of the state forms an important part of the Marxist theory of the state and was, in one form or another, much discussed by Marx and Engels. The meaning and implication of the concept require further consideration.³

Even if Marx and Engels at times come very close to a position of total autonomy in their treatment of Bonapartism, Miliband—and presumably Marx and Engels, in his interpretation—stops short of denying the capitalist character of the state. Despite its claim to transcend class interest and speak for all classes in society, “the real task of the Bonapartist state was to guarantee the safety and stability of bourgeois society, and to make possible the rapid development of capitalism.”⁴ The relative autonomy of the state

does not contradict the notion of the state as concerned to serve the purposes and interests of the dominant class or classes: what is involved, in effect, is a partnership between those who control the state, and those who own and control the means of economic activity [So rather than] a *merger* of the political and economic realms, ... the real position is one of partnership, in which the political and economic realms retain a separate identity, and in which the state is able to act with considerable independence in maintaining and defending the social order of which the economically dominant class is the main beneficiary

A major function of the state in its partnership with the economically dominant class is to regulate class conflict and to ensure the stability of the social order.⁵

What this relative autonomy means ... simply consists in the degree of freedom which the state (normally meaning in this context the executive power) has in determining how best to serve what those who hold power conceive to be the ‘national interest’, and which in fact involves the service of the interests of the ruling class.⁶

Miliband sees the reforms, upon which capitalism depends for its survival, as being possible only because of the state’s degree of autonomy from capitalists themselves.

¹*Ibid.*, pp. 72-73.

²*Ibid.*, p. 73.

³*Ibid.*, p. 74.

⁴Miliband, “Bonapartism,” in Tom Bottomore, ed., *A Dictionary of Marxist Thought* (Cambridge, Mass.: Harvard University Press, 1983), p. 53.

⁵Miliband, “State, the,” in Tom Bottomore *op. cit.*, p. 466.

⁶Miliband, *Marxism and Politics*, p. 83.

Reform has been a major characteristic of capitalist regimes—not surprisingly since reform has been a sine qua non of their perpetuation. What is perhaps less obvious is that it is the state upon which has fallen the prime responsibility for the *organization* of reform. Power-holders inside the state system have been well aware of the responsibility, and have acted upon that awareness, not because they were opposed to capitalism, but because they wanted to maintain it.

But to act as the organizers of reform, power-holders have needed some elbow room, an area of political manoeuvre in which *statecraft* in its literal sense could be exercised. What to concede and when to concede—the two being closely related—are matters of some delicacy, which a ruling class, with its eyes fixed on immediate interests and demands, cannot be expected to handle properly.¹

Interestingly, Miliband goes on to suggest that reforms may inadvertently leave open the possibility of their exploitation in an anti-capitalist direction—perhaps along lines similar to Gorz's "non-reformist reforms.

But from the point of view of the class or classes concerned, resistance to reforms organized by power-holders, in so far as that resistance is selective and flexible, cannot be taken as being necessarily 'irrational'. After all, power-holders may well miscalculate and statecraft can go wrong. It is, for instance, possible to argue that there are occasions and circumstances where reform, far from stilling discontent, will encourage demands for more, and further raise expectations: the phenomenon is familiar. Also, even if the general point holds that reform must in the long run be accepted if a social order is to have any chance to perpetuate itself, the price to be paid in the short run is often real and unpalatable. It is nonsense to say, as is often said on some parts of the Marxist left, that reform does not 'really' affect the 'ruling class'. The latter's members squeal much more than is usually warranted. But the squealing is on the other hand rather more than mere sham: the sense of being adversely affected and constrained is real; and this is quite often an accurate reflection of the concrete impact of this or that measure and action of the state.²

It's important to recognize that neither the capitalist class nor the capitalist state is omniscient.

To the extent that Engels has left open the possibility that the Bonapartist state, even as an exception, can be completely autonomous from the ruling class, Miliband stresses that it goes too far. His view of the state's "measure of autonomy" is much closer to the structuralist position than to the state autonomist one.

... [T]he relative independence of the state does not reduce its class character: on the contrary, its relative independence makes it possible for the state to play its class role in an appropriately flexible manner. If it really was the simple 'instrument' of the 'ruling class', it would be fatally inhibited in the performance of its role. Its agents absolutely need a measure of freedom in deciding how best to serve the existing social order.³

So, even stipulating that the "instrumentalist" characterization of *The State in Capitalist Society* could be to some extent justified, it seems undeniable that Miliband in *Marxism and Politics* has fully embraced structuralism in its essentials—and perhaps even met the state autonomists halfway.

In short, it's not much of an exaggeration to say that Miliband himself is a structuralist; or that the very boundary between "instrumentalism" and structuralism is mostly made of straw.

¹*Ibid.*, pp. 87-88.

²*Ibid.*, p. 88.

³*Ibid.*, p. 87.

Theory of the State: Corporate Liberalism

Corporate liberalism is the general name for a school of American historiography which emphasizes the role of business in creating ostensibly anti-business regulations, and the service such regulations have provided to business interests and more broadly to American capitalism. In keeping with its relegation by the structuralists to the “instrumentalist” category, it also emphasizes the personal involvement of business figures in lobbying for or drafting such regulations, and business-connected think tanks and policy groups in formulating the ideas behind them. It was closely associated historically with the New Left, and is most closely identified with James Weinstein’s book *The Corporate Ideal in the Liberal State*.

The term “corporate liberal” itself was coined in a 1962 “Statement of the Editors” in *Studies on the Left*.

Martin Sklar I. One of the earliest scholars of corporate liberalism was Martin Sklar. In his 1960 article “Woodrow Wilson and the Political Economy of Modern United States Liberalism,” Sklar describes Wilson’s view of the naturalness of the large organization—a view, which we will see throughout this chapter, was shared by all adherents of corporate liberalism as a philosophy:

Usually overlooked in discussions about the great “anti-trust” debates of the pre-World War I period is that the leading participants were concerned not so much with the abstract idea of “competition versus monopoly” as with the role of the corporation in the new industrial order and its relation to the state. This was as true of Wilson as it was of Roosevelt, Taft, George W. Perkins, Elbert H. Gary, and Herbert Croly. In his writings and speeches on the “trusts,” Wilson placed particular emphasis upon “the extraordinary development of corporate organization and administration,” as the dominant mode of modern capitalist enterprise, upon the corresponding decline of unrestricted competition and the growth of “cooperation,” and furthermore, of particular importance, consistent with his overall view, upon the legitimacy of the process, the need to affirm and adjust to it. Large corporations were “indispensable to modern business enterprise”; “the combinations necessarily effected for the transaction of modern business”; “society’s present means of effective life in the field of industry” and its “new way of massing its resources and its power of enterprise”; “organizations of a perfectly intelligible sort which the law has licensed for the convenience of extensive business,” neither “hobgoblins” nor “unholy inventions of rascally rich men.”

As institutions that had developed “by operation of irresistible forces,” large corporations could not be considered “immoral” “...to suggest that the things that have happened to us must be reverse, and the scroll of time rolled back on itself,” Wilson declared in 1912, “...would be futile and ridiculous” On more than one occasion during the campaign of 1912, as he had in the past, Wilson declared:

I am not one of those who think that competition can be established by law against the drift of a worldwide economic tendency; neither am I one of those who believe that business done upon a great scale by a single organization—call it corporation, or what you will—is necessarily dangerous to the liberties, even the economic liberties, of a great people like our own I am not afraid of anything that is normal. I dare say we shall never return to the old order of individual competition, and that the organization of business upon a great scale of corporation is, up to a certain point, itself normal and inevitable

With respect to remedies in the matter of “trusts,” the task according to Wilson was “not to disintegrate what we have been at such pains to piece together in the organization of modern industrial enterprise”; a program of dissolution of the large corporations would only calamitously derange the economy; it would “throw great undertakings out of gear”; it would “disorganize some important business altogether.” Rather, the task was to prevent the misuse of corporations by individuals, make guilt and punishment individual rather than corporate, prescribe in law those practices corporations might and might not undertake, prohibit unfair and coercive methods of competition, require reasonable competition among the large corporations, and assure that corporations operate in the public interest.”¹

The Progressive Era reform movements promoted by Wilson and others, Sklar wrote, were

movements led by and consisting of large corporate interests and political and intellectual leaders affirming the large corporate-industrial capitalist system, and convinced of the necessity of institutionalized reforms, legal and otherwise, to accommodate the nation’s laws and habits, and the people’s thinking, to the new corporate business structure and its requirements, domestic and foreign.²

(Of course, Sklar sniped in passing, the prior history of the Gilded Age suggested that the growth of an economy centered on large national corporations “was not so ‘organic’ as modern liberals insist . . .”³)

Gabriel Kolko. Although James Weinstein is widely regarded as the dean of the corporate liberal school, Gabriel Kolko wrote before Weinstein and clearly influenced his analysis—especially of the Progressive Era legislative agenda.

Kolko argued in *The Triumph of Conservatism* that Progressivism was “initially a movement for the political rationalization of business and industrial conditions,” Progressive Era regulatory legislation was “usually initiated by the dominant businesses to be regulated,” and that it was guided by the principles he called “political capitalism.”

Political capitalism is the utilization of political outlets to attain conditions of stability, predictability, and security—to attain rationalization—in the economy. *Stability* is the elimination of internecine competition and erratic fluctuations in the economy. *Predictability* is the ability, on the basis of politically stabilized and secured means, to plan future economic action on the basis of fairly calculable expectations. By *security* I mean protection from the political attacks latent in any formally democratic political structure. I do not give to *rationalization* its frequent definition as the improvement of efficiency, output, or internal organization of a company; I mean by the term, rather, the organization of the economy and the larger political and social spheres in a manner that will allow corporations to function in a predictable and secure environment permitting reasonable profits over the long run.⁴

This political capitalism was necessary, from the business standpoint, because the trust movement had failed to cartelize the economy and achieve price stability by purely private means. The mergers and trusts resulted, instead, in watered stock and overcapitalization, so that the new resulting firms were plagued with high costs and reduced competitiveness.⁵ As a result “it became apparent to many important businessmen that only the national government could rationalize the economy”—i.e., make the economy safe for stable oligopoly markets and administered pricing.⁶

During the Roosevelt administration, political capitalism reflected TR’s general philosophy that large corporations were the natural result of superior efficiency and that such cor-

¹Martin Sklar, “Woodrow Wilson and the Political Economy of Modern United States Liberalism,” reprinted in Ronald Radosh and Murray N. Rothbard, eds., *A New History of Leviathan: Essays on the Rise of the American Corporate State* (New York: E.P. Dutton, 1972), pp. 17-19.

²*Ibid.*, p. 50.

³*Ibid.*, p. 53.

⁴Gabriel Kolko, *The Triumph of Conservatism: A Reinterpretation of American History, 1900-1916* (New York: The Free Press, 1963), pp. 2-3.

⁵*Ibid.*, p. 22.

⁶*Ibid.*, p. 4.

porations could not practically be broken up by antitrust action; rather, they should be left intact to preserve their efficiency advantages, and simply regulated in the public interest. It was essentially a regulated monopoly model with guaranteed profits. Roosevelt took action against the Rockefeller interests, not because of their size, but primarily because he saw them as bad actors who refused to support the Bureau of Corporations or otherwise play along with his vision of “responsible” capitalism. On the other hand he fully supported détente with the House of Morgan.

Early in 1908 George W. Perkins, the functional architect of the détente system and political capitalism during Roosevelt’s presidency, attempted to articulate a systematic view on the relationship of the giant corporation to national government. The modern corporation, to Perkins, was the “working of natural causes of evolution.” It must welcome federal supervision, administered by practical businessmen, that “should say to stockholders and the public from time to time that the management’s reports and methods of business are correct.” With federal regulation, which would free business from the many states, industrial cooperation could replace competition. In a defense of Roosevelt against unwarranted attacks from the business community—a community that was not obtaining the same benefits of business-government cooperation as Morgan firms—Perkins also suggested that Roosevelt shared his interpretation of the necessity of sympathetic regulation. “It is needless to say that I am in substantial agreement with most of the propositions that it contains,” Roosevelt wrote his admirer upon receiving a copy of the speech.¹

Virtually all health and safety regulations served in some way to remove the regulated aspect of quality as a competitive issue between firms, and thus limit the terrain of competition to a smaller area. The Meat Inspection Act, for example, was—contrary to the received account of Upton Sinclair—supported by the large packers. Indeed Sinclair himself noted as much.² And there had already been a meat inspection regime in place going back into the late 19th century. Meat inspection was originally introduced in 1891 for the export-oriented packers at their own behest, following a series of tainted meat scandals in Europe, as a way of giving American meat exporters a government seal of approval and certification of quality. The large export-oriented packers desired an expansion of the inspection regime to include the smaller firms serving the domestic market, in order to remove the competitive advantage accruing to the latter.³ The same was true of the relation between the Pure Food and Drug Act and the regulated industries.⁴

The Federal Reserve Act was part of a banking reform movement that grew out of business reaction to the need for currency elasticity in the Panic of 1907. It was loosely modeled, in its general outlines, on the Aldrich Plan—combining regional central banks with one at the national level—which came out of a 1910 meeting on Jekyll Island between representatives of the Rockefeller, Morgan, and Kuhn, Loeb & Co banking interests, hosted by Sen. Nelson Aldrich. The Glass bill, signed into law as the Federal Reserve Act in late 1913, differed from the Aldrich Plan primarily in that the Federal Reserve Board was composed entirely of political appointees rather than representatives of banks (with an Advisory Council of bankers as partial compensation), and that control over the money supply was reserved entirely to the central bank rather than the regional banks.⁵

To the question “To what extent was the evolution of the Federal Reserve System into a crucial aspect of political capitalism inherent in the very premises and specifics of the Act?” Kolko responds:

As we have seen, the banking reform movement was initiated and sustained by big bankers seeking to offset, through political means, the diffusion and decentralization within banking. In 1895 the government went to Morgan for financial aid, but in 1907 Morgan came to the government. But in

¹*Ibid.*, p. 129.

²*Ibid.*, p. 105.

³*Ibid.*, pp. 100-102.

⁴*Ibid.*, pp. 108-110.

⁵*Ibid.*, pp. 245-246.

going to the government, banker-reformers brought concrete plans and specific personnel, and given the pro-capitalist frame of reference of all the major parties, it was the bankers who provided the legislative formulations of all significant bills.¹

The capstone of political capitalism was the Clayton Act, passed in 1914. Its main practical effect was price stability.

The provisions of the new laws attacking unfair competitors and price discrimination meant that the government would now make it possible for many trade associations to stabilize, for the first time, prices within their industries, and to make effective oligopoly a new phase of the economy.²

As for the Federal Trade Commission, created in the same legislative package that included the Clayton Act, its “special attraction.. to larger businessmen... was its position on trade associations in general and export trade associations in particular. The advantages of trade associations formed for domestic purposes were clear—the maintenance of prices and the elimination of internecine competition.”³

The business community knew what it wanted from the commission, and what it wanted was almost precisely what the commission sought to do. No distinction between government and business was possible simply because the commission absorbed and reflected the predominant values of the business community.⁴

In short, “the dominant tendency” of Progressive Politics at the federal level was “to functionally create, in a piecemeal and haphazard way that was later made more comprehensive, the synthesis of politics and economics that I have labeled ‘political capitalism.’”⁵ Or more succinctly, to serve as a committee for regulating the common affairs of the bourgeoisie as a whole.

Although Progressivism collapsed as a programmatic political movement from late in the Wilson administration, the functional cooperation between business government continued along political capitalist lines throughout the 20s and were expanded on by FDR in the New Deal.⁶

The functioning of the state on behalf of capital was enabled, Kolko argued, by the “identification of political and key business leaders with the same set of social values—ultimately class values.” Political capitalism itself would have been otherwise impossible.

Political capitalism was based on the functional unity of major political and business leaders. The business and political elites knew each other, went to the same schools, belonged to the same clubs, married into the same families, shared the same values—in reality, formed that phenomenon which has lately been dubbed The Establishment. Garfield and Stetson met at Williams alumni functions. Rockefeller, Jr. married Aldrich’s daughter, the Harvard clubmen always found the White House door open to them when Roosevelt was there, and so on. Indeed, no one who reads Jonathan Daniels’ remarkable autobiography, *The End of Innocence*, can fail to realize the significance of an interlocking social, economic, and political elite in American history in this century.⁷

Although such an interlocking Establishment connecting the state to business had existed for some time, going back into the 19th century, more recent ideological developments within the capitalist classes—and a new range of threats from outside—had helped to make political capitalism a possibility.

To some extent..., the more benign character of many leading business leaders, especially those with safe fortunes, was due to the more secure, mellowed characteristics and paternalism frequently associated with the social elite. Any number of successful capitalists had long family traditions of social graces and refinement which they privately doubted were fully compatible with their role as capital-

¹*Ibid.*, p. 253.

²*Ibid.*, p. 268.

³*Ibid.*, p. 275.

⁴*Ibid.*, p. 278.

⁵*Ibid.*, p. 279.

⁶*Ibid.*, p. 287.

⁷*Ibid.*, p. 284.

ists. The desire for a stabilized, rationalized political capitalism was fed by this current in big business ideology, and gave many businessmen that air of responsibility and conservatism so admired by Roosevelt and Wilson. And, from a practical viewpoint, the cruder economic conditions could also lead to substantial losses. Men who were making fortunes with existing shares of the market preferred holding on to what they had rather than establishing control over an industry, or risking much of what they already possessed. Political stabilization seemed proper for this reason as well. It allowed men to relax, to hope that crises might be avoided, to enjoy the bountiful fortunes they had already made.

Not only were economic losses possible in an unregulated capitalism, but political destruction also appeared quite possible. There were disturbing gropings ever since the end of the Civil War: agrarian discontent, violence and strikes, a Populist movement, the rise of a Socialist Party that seemed, for a time, to have an unlimited growth potential. Above all, there was a labor movement seriously divided as to its proper course, and threatening to follow in the seemingly radical footsteps of European labor. The political capitalism of the Progressive Era was designed to meet these potential threats, as well as the immediate expressions of democratic discontent in the states. National progressivism was able to short-circuit state progressivism, to hold nascent radicalism in check by feeding the illusions of its leaders-leaders who could not tell the difference between federal regulation of business and federal regulation for business.¹

To a considerable extent the path was smoothed for political capitalism through the kind of useful idiocy later identified with liberal goo-goos like Arthur Schlesinger, Jr.

Political capitalism in America redirected the radical potential of mass grievances and aspirations—of genuine progressivism—and to a limited extent colored much of the intellectual ferment of the period, even though the amorphous nature of mass aspirations frequently made the goals of business and the rest of the public nearly synonymous. Many well-intentioned writers and academicians worked for the same legislative goals as businessmen, but their innocence did not alter the fact that such measures were frequently designed by businessmen to serve business ends, and that business ultimately reaped the harvest of positive results. Such innocence was possible because of a naive, axiomatic view that government economic regulation, *per se*, was desirable, and also because many ignored crucial business support for such measures by focusing on the less important business opposition that existed. The fetish of government regulation of the economy as a positive social good was one that sidetracked a substantial portion of European socialism as well, and was not unique to the American experience. Such axiomatic and simplistic assumptions of what federal regulation would bring did not take into account problems of democratic control and participation, and in effect assumed that the power of government was neutral and socially beneficent.²

James Weinstein. The general theses of *The Corporate Ideal in the Liberal State* (running “counter to prevailing popular opinion and to the opinion of most historians”), as Weinstein baldly states them in the Introduction, are more generally the theses of the corporate liberal school as a whole:

The first is that the political ideology now dominant in the United States, and the broad programmatic outlines of the liberal state (known by such names as the New Freedom, the New Deal, the New Frontier, and the Great Society) had been worked out and, in part, tried out by the end of the First World War. The second is that the ideal of a liberal corporate social order was formulated and developed under the aegis and supervision of those who then, as now, enjoyed the ideological and political hegemony in the United States: the more sophisticated leaders of America’s largest corporations and financial institutions.³

Although the immediate impetus for reforms or regulations commonly came from “those at or near the bottom of the American social structure,” business leaders were usually able to shape such measures into a form that was to their own liking. And the same business elites “were able to harness to their own ends the desire of intellectuals and middle class reformers to bring together ‘thoughtful men of all classes’ in ‘a vanguard for the building of the good community.’”⁴

¹*Ibid.*, p. 285.

²*Ibid.*, pp. 285-286.

³James Weinstein, *The Corporate Ideal in the Liberal State: 1900-1918* (Boston: Beacon Press, 1918), ix.

⁴*Ibid.*, x.

Weinstein was influenced by Kolko's understanding that a major goal of corporate liberal legislation was "the stabilization, rationalization, and continued expansion of the existing political economy," and meeting the need of corporations for government intervention "to protect against irresponsible business conduct and to assure stability in marketing and financial affairs." And, it goes almost without saying, such reforms were intended to undermine the socialist movement and its threats of radical systemic change.¹

Although business saw corporate liberalism as a way to "maintain an increase the efficiency of the existing social order"² and to secure its existence against class conflict,³ that is not to say the middle class reformers and intellectuals (or even necessarily the business leaders, for that matter) were cynically motivated. "The key word in the new corporate vision of society"—for both intellectuals and business leaders—"was responsibility . . ." And to middle class reformers "responsibility meant, first of all, the responsibility of society to individual Americans or to underprivileged social classes." Even those like Herbert Croly who also saw themselves as offering "a counterpoise to the threat of working-class revolution" saw the betterment of the lower orders and the defense of the social system as complementary goals.⁴

The middle class reformist conception of "responsibility" was closely tied to the ideology of the new managerial classes.

As it developed, the new liberalism incorporated the concepts of social engineering and social efficiency that grew up alongside of industrial engineering and efficiency. The corollary was a disparagement of "irresponsible" individualism and localism.⁵

The Progressivist ideology has its origins in the worldview of corporate and other large institutional managers, which in turn had its origins in the professional mindset of industrial engineering. Progressivism basically entailed the transfer of mechanical and industrial engineers' understanding of production processes to the management of organizations, and of the managers' understanding of organizations to society as a whole. The managerial revolution carried out by the New Class, in the large corporation, was in its essence an attempt to apply the engineer's approach (standardizing and rationalizing tools, processes, and systems) to the rationalization of the organization. These Weberian/Taylorist ideas of scientific management and bureaucratic rationality, first applied in the large corporation, quickly spread to all large organizations. And from there, they extended to attempts at "social engineering" on the level of society as a whole, new-modeling the entire society on rationalistic lines.⁶

Yehouda Shenhav described how mechanical and industrial engineers' understanding of production processes was transferred to the management of organizations, and the managers' understanding of organizations in turn to society as a whole.

Since the difference between the physical, social, and human realms was blurred by acts of translation, society itself was conceptualized and treated as a technical system. As such, society and organizations could, and should, be engineered as machines that are constantly being perfected. Hence, the management of organizations (and society at large) was seen to fall within the province of engineers. Social, cultural, and political issues... could be framed and analyzed as "systems" and "subsystems" to be solved by technical means.⁷

¹*Ibid.*, x.

²*Ibid.*, xi.

³*Ibid.*, xiii.

⁴*Ibid.*, x-xi.

⁵*Ibid.*, xiv.

⁶Rakesh Khurana, *From Higher Aims to Hired Hands: The Social Transformation of American Business Schools and the Unfulfilled Promise of Management as a Profession* (Princeton and Oxford: Princeton University Press, 2007), p. 56.

⁷Yehouda Shenhav, *Manufacturing Rationality: The Engineering Foundations of the Managerial Revolution* (Oxford and New York: Oxford University Press, 1999), p. 74.

In keeping with this engineering ethos, Progressivism treated class conflict as an inefficiency to be transcended through the proper application of expertise.

Labor unrest and other political disagreements of the period were treated by mechanical engineers as simply a particular case of machine uncertainty to be dealt with in much the same manner as they had so successfully dealt with technical uncertainty. Whatever disrupted the smooth running of the organizational machine was viewed and constructed as a problem of uncertainty.¹

Social conflict was an engineering problem and properly addressed such. "American management theory was presented as a scientific technique administered for the good of society as a whole without relation to politics."² Taylor saw bureaucracy as "a solution to ideological cleavages, as an engineering remedy to the war between the classes."³ At the level of state policy, the Progressives' professionalized approach to politics was "perceived to be objective and rational, above the give-and-take of political conflict." It reflected "a pragmatic culture in which conflicts were diffused and ideological differences resolved."⁴ Both Progressives and industrial engineers "were horrified at the possibility of 'class warfare,'" and saw "efficiency" as a means to "social harmony, making each workman's interest the same as that of his employers."⁵ The tendency in all aspects of life was to treat policy as a matter of expertise rather than politics: to remove as many questions as possible from the realm of public debate to the realm of administration by properly qualified authorities. Social problems were thus allowed to enter the organizational realm only after being dressed in technical terms. Pragmatic solutions were to replace ideological controversies.⁶

Corporate liberalism was the "new liberalism that developed in cooperation between political leaders like Theodore Roosevelt, William Howard Taft, and Woodrow Wilson and financial and corporation leaders in the National Civic Federation (NCF) and other organizations."⁷ This new liberalism reflected "an awareness on the part of the more sophisticated business and political leaders that the social order could be stabilized only if it moved in the direction of general social concern and social responsibility."⁸

Corporate liberalism was an attempt to stabilize the basic institutions of American capitalism against the twin threats of socialism and "neopopulism"—the latter a blend of middle-class reformism and farm populism which was "far less clearly distinguishable from the new liberalism" than was socialism.⁹ Its primary organizational base, the National Civic Federation, found itself fighting a two-front war against the afore-mentioned radicals, and the conservative business interests represented in the National Association of Manufacturers.¹⁰

The NCF was founded in 1900 by Ralph Easley, a former school teacher from a middle-class reformist background, whose exposure to the populist and socialist movements made him an advocate for improved business relations with labor.¹¹ It was dominated from the outset by major business leaders, including Marcus Hanna, Andrew Carnegie, and several representatives of the J.P. Morgan organization.¹² By 1903 it included representatives of almost a third of the largest 367 corporations, along with Samuel Gompers and John Mitchell of the

¹*Ibid.*, p. 174.

²*Ibid.*, p. 5.

³*Ibid.*, p. 8.

⁴*Ibid.*, p. 35.

⁵*Ibid.*, p. 96.

⁶*Ibid.*, p. 189.

⁷Weinstein, *Corporate Ideal in the Liberal State*, p. 5.

⁸*Ibid.*, p. 3.

⁹*Ibid.*, pp. 5-6.

¹⁰*Ibid.*, p. 6.

¹¹*Ibid.*, p. 7.

¹²*Ibid.*, p. 8.

United Mine Workers. It also included prominent political figures like Cleveland, Taft, and Roosevelt's Attorney General Charles Bonaparte.¹

Its initial focus, before 1905, was on labor relations; the NCF leadership saw it primarily as an arbitrator in labor disputes.² Even so, this did not long remain a mere preoccupation with labor relations at the retail level. The NCF represented the emergence of the capitalist ruling class, in Marx's terms, as a "class for itself."

Yet even at this early stage of the Civic Federation's development, its leaders were concerned with more than the immediate, or direct, relationship between the employer and his workers. That is, the business leaders who participated in the activities of the NCF had transcended a narrow interest-consciousness and were emerging as fully class conscious. In 1910, George W. Perkins explained that "the officers of the great corporation instinctively lose sight of the interest of any one individual and work for what is the broadest, most enduring interest of the many." Their situation at the "commanding heights" of American industrial life enabled them to view matters "from the point of view of an intelligent, well-posted and fair arbitrator." What this meant was that the businessman was merging "into the public official." "No longer controlled by the mere business view," he was more and more acting "the part of the statesman."³

The NCF business consensus on labor unions, as Weinstein summarized it, saw "responsible" unions as a way of domesticating the labor movement and imposing discipline on their own rank and file—in other words what was eventually embodied in the Wagner Act.

This entailed an insistence that trade unions act responsibly, that they strictly adhere to and enforce contractual agreements, even against the wishes of their members. In effect, what the business leaders asked of the conservative trade unionists was that they become mediating agents between the workers and the corporations, rather than act simply as representatives of the workers in confrontation with their employers.

In return, NCF leaders sought to gain acceptance of organized labor as a permanent institution in American life and recognition for those labor leaders who would cooperate.⁴

This newfound openness to labor relations was by no means a universal view, as Easley observed in 1909. Corporate leadership was divided on the issue even within most corporations.

Take the United States Steel Corporation: Judge Gary, George Perkins, and Henry Phipps are friendly to our work, whereas Henry C. Frick and W. E. Corey hate the Federation and believe it is doing great harm by recognizing the labor leaders In fact, our enemies are the Socialists among the labor people and the anarchists among the capitalists.⁵

Broadly speaking, the "progressives" in such large corporations were either second-generation managers or representatives of the banks; the reactionaries were those involved in the manufacturing side. And even the progressives were focused primarily on promoting conservative elements in the labor movement, not with promoting unionism as such. Indeed some of them attempted to stave off actual union representation in their own shops for as long as possible.⁶ The overall stance of business representatives in the NCF was one of pragmatic conservatism: "Business leaders in the Federation were flexible. They did not often recognize unions unless compelled to do so, but they did not greatly fear dealing with unions when the workers demonstrated that they had the strength and determination to carry through militant actions." For example the conservative, AFL-affiliated Textile Workers managed to establish a number of new locals in quick succession in the Northeast following the successful I.W.W. strike in Lawrence, Massachusetts.⁷

¹*Ibid.*, p. 8.

²*Ibid.*, p. 9.

³*Ibid.*, p. 10.

⁴*Ibid.*, p. 37-38.

⁵*Ibid.*, p. 11.

⁶*Ibid.*, p. 11.

⁷*Ibid.*, pp. 11-12.

If the NCF saw detente with “responsible” unions as stabilizing, it saw the National Association of Manufacturers’ scorched earth approach as equally destabilizing. The growing hostility toward labor on the part of NAM, and the increasing number of court injunctions, “pushed labor toward interest in independent politics after 1905.” The NCF saw this as a sign of weakening loyalty to the system. Louis Brandeis opined that collective bargaining was “essential to the survival of capitalism,” and that trade unions were “a strong bulwark against the great wave of socialism.”¹

In the face of the NAM’s open-shop campaign and the stalling out of labor movement growth, the NCF saw its commitment to labor issues as having reached the point of diminishing returns. It devoted an increasing share of its resources to welfare work, in hopes that it might appeal to anti-union employers from this angle.² In 1911 its Welfare Department had expanded to 500 employer members, and by 1914 2500 employers had welfare programs.³ The goal of the program was “to promote sympathy and a sense of identification between the employer and his employees by integrating the lives and leisure time of the workers with the functioning of the corporation.”⁴ In effect, employers took on what would be seen today as welfare state functions—technical education, workplace sanitation and safety, low-cost housing, insurance, pensions, social functions and entertainment, etc.⁵

The combined effect of the NCF’s holding pattern on labor relations, and its increased focus on corporate paternalism, had the effect of alienating a considerable portion of the labor movement. The NCF and Gompers were hammered relentlessly from the left, with Eugene Debs accusing the Federation of professing friendship for labor in order to “guide it into harmless channels,” radicals in the AFL pressuring Gompers as well, and even Gompers himself putting out feelers for independent labor politics. The AFL began campaigning directly against the most anti-labor congressmen, and local AFL affiliates sometimes nominated labor candidates in races where the regular party nominees ignored labor demands.⁶ The United Mine Workers’ John Mitchell was forced to resign from the Federation when the UMW’s convention passed a resolution automatically expelling all NCF members.⁷

Meanwhile, the NCF diversified its operations into new policy areas. There were calls for reform at the municipal level, and large corporations were beginning to seek federal regulation of their industries in the interest of stability. The Federation accordingly began to explore “public ownership and operation of public utilities, trust regulation, workmen’s compensation, child labor, immigration,” etc.—especially the first three.⁸ The NCF commission on public utilities drew up model legislation for regulation, which became the basis among other things for Wisconsin’s public utilities law.⁹ Its model workmen’s compensation legislation has a significant role in shaping the final form of workmen’s comp laws in a number of states.¹⁰

Discussions of currency reforms within the NCF in December 1907, against the background of the “recent panic” which had “convinced all the business speakers of the need for an elastic currency,” revealed general business support for the sort of measures later embodied in the Federal Reserve Act.¹¹

¹*Ibid.*, pp. 16-17.

²*Ibid.*, p. 18.

³*Ibid.*, pp. 18-19.

⁴*Ibid.*, p. 19.

⁵*Ibid.*, pp. 19-20.

⁶*Ibid.*, pp. 21-23.

⁷*Ibid.*, p. 120.

⁸*Ibid.*, pp. 23-24.

⁹*Ibid.*, p. 25.

¹⁰*Ibid.*, pp. 48 *et seq.*

¹¹*Ibid.*, p. 29.

Most of these policy discussions were less important for their material results, which were quite modest at best, but in the groundwork laid for future policy by "the changing consciousness of the participants."¹ Their common ideology reflected the desire for a rationally planned society organized around the large corporation, and the need for planning by properly qualified experts as a way of transcending class conflict and taking policy outside the political realm.

The business leaders in the NCF were exploring ways in which social questions could be solved wherever possible by extra-political means and were coming to understand that these solutions should represent a consensus of business, trade union, and other opinion rather than an external imposition of power. Implicit in the way in which these conferences were organized—in their leadership, financing, and ideological orientation—was a commitment to the strengthening and rationalization of the large corporations.

But Civic Federation leaders knew that this could be done only if the corporations recognized the social responsibilities that went along with domination of the society. The problem was that the size of these corporations, their national scope and power, increasingly focused attention on the federal government, and that this in turn exposed them to the danger of political debate in which classes might develop their own political parties or factions on a national scale In addition to keeping social questions out of the arena of public debate, this approach started with the assumption that problems were essentially technical, that the framework of the political economy need only be rationalized and that "experts" applying their skills in the assumed common interest could best do the job. Whenever possible, NCF leaders sought to keep controversial issues "out of politics," and particularly out of national politics.²

This preference for extra-political management of problems did not mean, of course, that the Civic Federation was unwilling to recognize cases where national problems required federal legislation. Its role in creating the Federal Trade Commission Act makes this clear. But where possible, it preferred even legislative remedies to be at the state level; in cases where differences in law from one state to another threatened capital flight, the NCF attempted to promote uniformity of law through model legislation.³ It established state-level federations in twenty-three states, which lobbied locally for model bills drafted by the NCF Executive Council. Among other things, such model bills were drawn up for workmen's compensation, minimum wages, and public utility regulation.⁴

Even so, the Federation's most important role was not in drafting legislation, but "its educational effect on corporation leaders, especially those who, during the First World War and the New Deal, supported the approaches worked out between 1905 and 1916."⁵

The Federal Trade Commission Act of 1914, which the NCF had a large role in shaping, reflected both big business's interest in stability and predictability and Roosevelt's view that bigness and combination as such were essential to an efficiently run economy.⁶

"This is an age of combination," Roosevelt told Congress in his Annual Message to Congress in 1905, "and any effort to prevent combination will not only be useless, but in the end vicious, because of the contempt for law which the failure to enforce law inevitably produces." What was needed was "not sweeping prohibition of every arrangement good or bad, which may tend to restrict competition, but such adequate supervision and regulation as will prevent any restriction of competition from being to the detriment of the public."⁷

Although a Democrat, Woodrow Wilson differed little from Roosevelt in his views on monopoly.

¹*Ibid.*, pp. 29-30.

²*Ibid.*, pp. 30-31.

³*Ibid.*, p. 31.

⁴*Ibid.*, p. 32.

⁵*Ibid.*, p. 35.

⁶*Ibid.*, pp. 62-91.

⁷*Ibid.*, p. 71.

... [The] "natural process" [of business] had led to the emergence of the large-scale industrial corporation as more efficient and suitable to modern conditions than a state of unrestricted competition. "Modern business," Wilson observed, "is no doubt best conducted upon a great scale, for which the resources of the single individual are manifestly insufficient. Money and men must be massed in order to do the things that must be done for the support and facilitation of modern life." To Wilson, it was "plain enough that we cannot go back to the old competitive system under which individuals were the competitors." ... In the speech accepting his nomination to the presidency, in August 1912, Wilson repudiated his own party's platform, which denounced the Rule of Reason decision of 1911—a position representing the Bryan wing of the party. Instead he identified with the views of Roosevelt, Garfield, and the Bureau of Corporations. "I am not," he said, "one of those who think that competition can be established by law against the drift of a worldwide economic tendency; neither am I one of those who believe that business done upon a great scale by a single organization ... is necessarily dangerous to the liberties, even the economic liberties, of a great people like our own." ... "I dare say we shall never return to the old order of individual competition, and that the organization of business upon a great scale of cooperation is, up to a certain point, itself normal and inevitable."¹

The NCF continued its policies in the second decade along the same broad lines: a labor policy aimed at promoting conservative, "responsible" unions; and on the side of capital encouraging business support for "social reform and negotiation with responsible representatives of labor, farmers, and liberal intellectual and social workers."²

This was reflected in the experience of the Commission on Industrial Relations. The Commission, largely a panicked response to a unionist dynamite assault on the *Los Angeles Times* offices for its open shop policies, was created in Taft's last months and staffed by Taft and Wilson.³ Proposed by Louis Brandeis in a petition to Taft, and backed by a considerable number of middle-class reformers and social workers, it was a national analog of the fact-finding industrial commission in Wisconsin. Quoting Lincoln's biblical observation that "a house divided against itself cannot stand," it was intended to investigate not only labor unions and the social and economic costs of strikes, but also the effects of "injunctions, evictions, and industrial spy systems."⁴

The process of staffing the Commission "revealed the extent to which NCF ideas had permeated both major parties. Composition of the Commission followed the principle established by NCF: of the nine members there were to be three each from capital, labor, and the public." The labor members, proposed by the railroad unions and Gompers and approved by Taft, were members of the NCF. The business members were acceptable to both the NAM and NCF. Two of the public members had a history of working with the NCF.⁵

However, Taft's nominees were filibustered by Democrats in the confirmation process, leaving to Wilson the final choice of nominees to the Commission. Like Taft, Wilson excluded radicals and socialists, and avoided anyone objectionable either to the AFL or National Civic Federation. Eight of Wilson's nominees, as opposed to seven of Taft's, were NCF members. His public nominees were considerably less conservative than Taft's: the chair was Frank Walsh, a Brandeisian liberal social worker, and the other two were prominent social worker Mrs. J. Borden Harriman and Professor John Commons of institutionalist economics fame.⁶

Throughout the investigative course of the Commission, it walked a fine line in which, Walsh and the other moderates were fully aware, the discussion of abstract reform risked opening up the agenda to broad restructuring of a radical kind that might undermine commitment to private property itself. Walsh himself feared the result would be "placing our

¹*Ibid.*, pp. 162-163.

²*Ibid.*, p. 172.

³*Ibid.*, pp. 172-173.

⁴*Ibid.*, pp. 181-182.

⁵*Ibid.*, pp. 183-184.

⁶*Ibid.*, pp. 184-185.

whole industrial system on trial.” But he managed to keep it to the task of “determining and removing the causes of unrest,” and adopting such paternalistic reforms—minimum wages, workmen’s compensation and industrial insurance, social security, etc.—that would achieve that goal without threatening the basic structure of ownership and management.¹ The majority of Commission members sought class harmony and cooperation, and an approach based on limited regulation rather than trust-busting.²

The Commission’s overall effect on public opinion was to improve the public image of the more conservative labor unions, and thereby increase “labor’s relative strength in a consensus in which the large corporations remained dominant”—in other words, the essential objective behind its creation.³

The Commission came into its own in public perception, more than anything, during the Colorado coal strike of 1913-1914. Walsh’s investigation and ruthless investigation exposed John Rockefeller’s lies about his complicity in the Colorado Fuel and Iron Company’s actions. It came to light that Rockefeller had explicitly endorsed management’s intransigent anti-union line—a line that resulted in the Ludlow Massacre—in private communications, directly contradicting his public claims to the Commission that he supported collective bargaining and was unaware of CFI management’s strategy.⁴

Despite major differences in approach and philosophy between Walsh and others on the Commission, its final report endorsed the basic principles later incorporated into the New Deal policy. Most notably, this included legislation guaranteeing the right to organize unions and collectively bargain, enforced by punitive federal action against companies that violated it; but it also included an eight-hour day, graduated income tax, and public works.⁵ The Commission “had set down a range of proposals for a liberal corporate order, almost all of which were adopted when conditions once again made social reform a pressing necessity.”⁶

During WWI, as Weinstein relates in his concluding chapter, the basic principles of corporate liberalism were put into large-scale operation—if only temporarily—under Wilson’s war mobilization of the economy. The War Industries Board, in particular, embodied

the entire relationship of business to government that Civic Federation and other business leaders had tried to establish during the Progressive Era. Government and business were to be partners in the common enterprise of an ever-expanding economy. Each partner had somewhat different immediate interests, but they shared a common goal....

In setting up the War Industries Board, Baruch and his subordinates had one major aim: to secure maximum production with the least disruption to normal business routine and with the least political disturbance.⁷

War industries functioned as something like regulated public utilities, with the Price Fixing Committee setting prices so as to prevent runaway inflation, but also guaranteeing “a suitable profit margin.” This also included sufficient wage increases to guarantee industrial peace and address the labor shortage.⁸ Setting prices at a sufficient level for the higher-cost producers to make a profit meant “extraordinarily large profits for the more efficient producers.” Grosvenor Clarkson of the National Council of Defense noted that when “prices were fixed at levels which yielded profits that would stimulate production, it was always provided that labor should have a share.”⁹ In addition to this “cartel system,” War Industries Board policies included an eight-hour day and negotiation with unions to maintain labor

¹*Ibid.*, pp. 187-188.

²*Ibid.*, p. 189.

³*Ibid.*, p. 191.

⁴*Ibid.*, pp. 191-197.

⁵*Ibid.*, p. 211.

⁶*Ibid.*, p. 213.

⁷*Ibid.*, p. 222.

⁸*Ibid.*, p. 224.

⁹*Ibid.*, p. 226.

peace.¹ In short, the industrial economy functioned on a corporatist basis that foreshadowed the National Recovery Administration under FDR.

Between the turn of the century and the end of WWI, there had been a profound shift toward acceptance of the principles of corporate liberalism among a major share of the American business community.

The changes in the concept of the proper role of government and in the techniques of maintaining political and social stability reflected the end of “free” competition and the rise of a new corporate oligarchy. In the rhetoric of the new liberals, these concepts represented a growing concern for the welfare of the public . . . In fact, the increasing centralization of power and the expert management of business and social life by federal and state governments met the needs of corporations whose scale of operation was national and international. Day to day power centered more and more in the hands of administrators and experts who thought primarily in terms of increasing the efficiency of the existing system, were constrained to do so in a manner to win the approval of corporation leaders. Workers, farmers, and small businessmen, in other words, had less and less real power, even though, in a formal sense, they had gained recognition as legitimate social forces.²

Martin Sklar II. A whole generation after his 1960 article that helped kick off the corporate liberal school, Sklar a book-length history of corporate liberalism in the Progressive Era—this time backing all the way up to 1890 and taking a running start at it.³ In it, he treats the history of Progressivism (or corporate liberalism) against the background of, and as it intersects with—as the title of the book puts it—the corporate reconstruction of American capitalism.⁴

For Sklar the “corporate reconstruction of American capitalism” was shorthand for an entire complex mutually-influencing systemic changes.

The corporate reorganization of industry that crystallized in the merger movement of 1898-1904 and developed thereafter to World War I marked the passage of a relatively mature American industrial capitalism from its proprietary-competitive stage to an early phase of its corporate-administered stage. It marked, that is, the emergence of the corporate reconstruction of American capitalism . . . The corporate reorganization of capitalist property and market relations substantially affected, or integrally related to, changes in intra-class and inter-class relations, in law and public policy, in party politics, in international relations, in prevalent modes of social thought, in education and philanthropy, in civic association, in the structure and role of government, and in the government-society relation in general.⁵

The Progressivist ideology, as exemplified by politicians like Roosevelt and Wilson, held that “the nation’s laws, institutions, thinking, and habits must be reformed to facilitate and regulate the emerging corporate-capitalist order . . .”⁶ The new methods of production required a shift from the classical liberal model of self-regulating, atomistic competition to one based on “cooperation and administered markets,” as the only alternative to “the wastes of competition.”⁷ The movements associated with this ideology “sought to realize the emergent system of corporate-capitalist authority through a transformation of the legal order and the larger system of political power.”⁸

Corporate liberalism reflected “a new consensual framework” from the 1890s on, which was replacing the old liberal consensus favoring competitive markets. A whole range of class interests—“[m]anufacturers, bankers, farmers, workers, reformers”—“were variously reacting

¹*Ibid.*, pp. 229-230.

²*Ibid.*, p. 252.

³Sklar, *The Corporate Reconstruction of American Capitalism, 1890-1916: The Market, the Law, and Politics* (Cambridge, New York, and Melbourne: Cambridge University Press, 1988).

⁴*Ibid.*, p. 1.

⁵*Ibid.*, pp. 4-5.

⁶*Ibid.*, p. 5.

⁷*Ibid.*, p. 10.

⁸*Ibid.*, p. 15.

against the competitive market and its consequences.”¹ All the regulatory legislation passed in the period Sklar covers “tended . . . to legitimize and recognize the new corporate order, its form of property, and its leading underlying assumptions.”²

Sklar nevertheless refrains from any cartoonish “instrumental” framing of the relationship between corporate capital and state policy. Although the Progressive legislative and administrative agenda assumed, and worked from, the dominance of the large corporate form, this is not to say that

regulatory law and agencies were simply made, by manipulative ploy or otherwise, into the instruments of those corporate interests ostensibly regulated. The ascendancy of corporate capitalism proceeded on the basis of its accountability to, and accommodation of, smaller capital, and to a lesser extent accommodation of a changing working class.³

In other words if the state functioned as a “committee” on behalf of “the affairs of the bourgeoisie as a whole,” it did so of necessity in a way that took into account and managed not only the competing interests of ascending and declining factions of capital, but also—to the extent necessary for long-term stability—even those of labor.

Class accommodation, at least in the short term, was aided by the fact that the new corporate model of capitalism left room for small and medium-sized businesses within the interstices of the larger corporate system, and that corporate capital was in a position to offer a more or less palatable deal to some segments of labor.

Corporate capitalism could subsume and make room for the interests and development of small producers, proprietary capitalists, the professions, a growing working class, and new middle-class strata. It could exploit and accommodate new technologies, new life-styles, new educational, scientific, and cultural institutions and patterns, on the basis of rising productivity and expanding production rooted in specialization, standardization, and economies of scale. In its very centralizing and standardizing characteristics, corporate capitalism was inclusive of social diversity in a way that proprietary-competitive capitalism was not and could not be. Its partisans, accordingly, called corporate capitalism progressive.

Corporate capitalism could make persuasive cross-class appeals, therefore, that small-scale competitive capitalism could not. To smaller capitalists it could offer coexistence with large capital, with more stable prices and markets, and with a large field for enterprise in real estate, banking and finance, construction, subcontracting, retailing, specialty production, and distribution of all kinds To labor, corporate capitalism could offer greater stability of employment and better wages with higher productivity, as well as pensions, profit-sharing, recreational facilities, and even advancement from blue collar to white and prospective advancement up the corporate ladder.⁴

The politics of the Progressive Era reflected the fact that one capitalist leadership coalition, from the 1890s on, was supplanting another.

. . . [T]he changes had reached the point of generating a corporate sector of the capitalist class, of sufficient number and critical mass to form a political leadership poised to act within the class and in national politics. It was a leadership composed of capitalists recently engaged in organizing or directing corporate enterprise, and people from social strata with an interest in the emergent property relations or in their broader social effects or implications, among them lawyers, intellectuals, journalists, educators, clergy, engineers, and professional politicians, some of whom wore more than one hat at the same time or in succession.

It was a bipartisan class and political leadership oriented to corporate capitalism, beginning to displace or absorb the previous bipartisan leadership oriented to competitive capitalism.⁵

This capitalist economic and political class emerged, in Sklar’s account, as something like what power elite theorists Mills and Domhoff called the “corporate rich.” The capitalist class shifted its economic base from the individual, family controlled firm, to the diversified port-

¹*Ibid.*, pp. 16-17.

²*Ibid.*, p. 17.

³*Ibid.*, p. 19.

⁴*Ibid.*, pp. 22-23.

⁵*Ibid.*, p. 24.

folio of securities distributed throughout the corporate economy. Capitalist wealth thus became class-wide, leading to a sense of common identity that was also class-wide.¹ The capitalist class also developed a class-wide organizational structure, including not only interlocking directorates between firms but also “interlocking directorates” between the corporate boardroom and “the institutional spheres of religion, culture, higher education, philanthropy, and organizations for inter-regional projects or development.”² The phenomenon of interlocking institutions drew in the state as well, with the chief role in policymaking shifting from congressional and party leaderships to “nonpartisan” bodies of experts—from the universities, the professions, and newly organized civic associations—cooperating closely with the executive branch and selected senior members of Congress.³

The spectrum of corporate liberal opinion ranged from Roosevelt’s view of all large corporations as potentially subject to close supervision as regulated utilities, to Taft’s minimal regulatory approach—Wilson’s position lying in the middle.⁴

Corporate liberal agendas, according to Sklar, included two approaches to regulation, and three modes of implementation. The statist approach to regulation was essentially Roosevelt’s of applying the regulated utility model to a major share of the corporate economy. The non-statist involved

indirect government regulation of a corporate-administered market, with industry and the economy in general treated differently from public utilities and, instead, monitored by government to permit reasonable combinations and restraints of trade, but to remedy or prevent unfair business methods . . .⁵

The different modes of implementation included judicial enforcement of a maximalist interpretation of the Sherman Act; direct federal registration and licensing of corporations; and a trade commission which would authorize reasonable restraints of trade while regulating unfair practices. Ultimately it was the non-statist approach and the third mode of implementation that won out under Wilson.⁶

But all the major currents of corporate liberalism agreed on the large corporation as the normal unit of organization, along with the need for sufficient state regulation to enforce “responsible” behavior in the “public interest” and minimize class conflict.⁷ As Wilson put it in a public address as governor of New Jersey in 1912: “Our laws are still meant for business done by *individuals*; they have not been satisfactorily adjusted to business done by great *combinations*, and we have got to adjust them.”⁸

The corporate liberal agenda was a reaction to the depression of the 1890s, which corporate and state elites saw as the result of tendencies toward overproduction and unregulated competition.⁹

The movement toward an administered market under the auspices of the corporate reorganization of industry, in this view, represented the response of a progressive industrial capitalism to the competitive market under the conditions of surplus capital. Assuming a commitment to continuing industrialization, it offered an alternative to economically ruinous and politically dangerous depressions as well as to statist dictation in the marketplace. The corporate reorganization, however, rested on two fundamental premises: The regulation of investment in the operation and expansion of productive capacity made sense (1) only if price could be administered (not necessarily absolutely controlled), which presupposed sufficient centralization of authority to limit or regulate production,

¹*Ibid.*, pp. 27-28.

²*Ibid.*, p. 29.

³*Ibid.*, p. 31.

⁴*Ibid.*, pp. 36-38.

⁵*Ibid.*, p. 324.

⁶*Ibid.*, p. 325.

⁷*Ibid.*, p. 38.

⁸*Ibid.*, pp. 413-414.

⁹*Ibid.*, pp. 43-44.

credit access, and marketing; and (2) only if—to counteract excessive unemployment, the vitiation of economies of scale, and the intensification of the oversaving implicit in the limitation of productive investment—the sphere of enterprise, particularly the sphere of investment, could be extended beyond national limits to capital-scarce areas, beyond the limits of the domestic investment, employment, and marketing system. It followed that the condition of a viable national corporate investment system was its globalization in an international investment system.¹

The first goal eventually reflected in the Progressive policy agenda, above all others, was to achieve the level of market consolidation and control necessary for the firms in each industry to be price-makers rather than price-takers. Beyond that, Progressivism's subordinate goals were to insure sufficient labor peace to prevent internal disruption within the corporation, to prevent corporations from abusing their necessary market power in ways that would cause social and political disruption, and for the state to provide the assorted inputs necessary for corporate enterprise, combat poverty, etc., as an adjunct to the corporate economy.

This corporate liberal approach was reflected not only in legislation but in judicial decisions. Federal case law on the Sherman Act from 1911 on, based on the "rule of reason" doctrine, upheld the institutional mechanisms necessary for administered markets, like trade associations, as a "reasonable restraint of trade." The primary function of trade associations, from the turn of the century, had been "not simply as a lobbying or promotional agency but also as a device for regulating the market."

The idea of the "new cooperation" took hold and found application in the corporation and trade association alike. By 1912, regional and national trade associations had emerged in most industries, some of them implementing the less formalized practice of exchanging information among companies about prices and costs, as well as about orders, inventories, and the like, for the purpose of stabilizing prices by modulating supply and reducing price competition. Consistent with the Rule of Reason doctrine, in a series of trade-association cases initiated after the 1911 decisions and decided in the early 1920s, the Supreme Court ruled that competitors might legally exchange price and other information if in so doing they did not explicitly agree to raise prices or to control production or distribution, and did not attempt to injure or exclude outside competitors by unfair practices. Similarly, in 1919, the Supreme Court upheld the "resale price maintenance" device whereby manufacturers required dealers to maintain prescribed prices and refused to sell to those not complying.²

Nevertheless, there was always some danger of a return to the pre-1911 Harlan Doctrine which failed to distinguish reasonable from unreasonable restraint. There remained, as well, the danger that a future populist President and Attorney General would resort to wholesale trust-busting.³

It followed that, lest cooperative private regulation of the market be put in jeopardy, the "rule of reason" doctrine should be codified into antitrust statute law. The Clayton and FTC acts, passed in 1914, codified into law the post-1911 corporate liberal judicial construction of antitrust law.⁴

The corporate-liberal alternative, as embodied in the Rule of Reason decisions and as fleshed out in the legislation of 1914 and since, accomplished two basic conditions: It "depoliticized" the market in the sense of removing the regulation of the market from determination by electoral politics or by the exclusive or paramount power of the state. Second, apart from common carriers, public utilities, or "natural monopolies," it assured primary regulation of the market by private parties and private law, that is, by private parties subject to judicial process, while assigning to the state, in its legislative and executive capacities, the secondary role through regulatory laws authorizing prosecutorial action or administrative policing, but again, subject to judicial review, and in either case, judicial review based on common-law doctrine and precedent.⁵

¹*Ibid.*, p. 67.

²*Ibid.*, p. 163.

³*Ibid.*, p. 166.

⁴*Ibid.*, p. 173.

⁵*Ibid.*, pp. 174-175.

The Federal Reserve Act, similarly, served the needs of the economy for a credit system that could finance corporate organization at home and expansion abroad.

The Federal Reserve system sought to answer the need for a banking and monetary system that could contribute to the stabilization of capital markets against seasonal and cyclical fluctuations, that could regulate credit and money supply to head off tendencies toward panic or redundant investment, that could thereby facilitate corporate organization of enterprise, that could at the same time accommodate smaller enterprise with short-term credit, and that could significantly aid in channeling surplus capital into international trade and investment.¹

Corporate liberalism thus put in place the organizational model that was to last through the middle of the 20th century and for a generation after WWII, before it was finally replaced by a new neoliberal consensus.

The movement for corporate capitalism reconstructed American society during the years 1890—1916. In effecting a reorganization of property ownership and the market, and in attaining a revision of the law and of government-market relations, this movement established the fundamental conditions of what many historians regard as the mass-culture society and also as the organizational or bureaucratic society with its concomitant rise of a professional, managerial, and technical middle class.²

¹*Ibid.*, p. 423.

²*Ibid.*, p. 441.

Theory of the State: Power Elite

C. Wright Mills. Mills's power elite theory is stated most fully in his book titled—straightforwardly enough—*The Power Elite*. The power elite are the tiny minority who are “in command of the major hierarchies and organizations of modern society.”

They rule the big corporations. They run the machinery of the state and maintain its prerogatives. They direct the military establishment. They occupy the strategic command posts of the social structure, in which are now centered the effective means of the power and the wealth and the celebrity which they enjoy.¹

The existence of such an elite is made possible by the consolidation of the major institutions they command into a small number of mutually interlocking bureaucracies.

Within each of the big three [corporate, state, and military], the typical institutional unit has become enlarged, has become administrative, and, in the power of its decisions, has become centralized

As each of these domains becomes enlarged and centralized, the consequences of its activities becomes greater, and its traffic with the others increases.²

Mills's theory is distinguished from standard Marxist class theory by the importance he attributes to the ruling elite's institutional power bases. Being a capitalist, or wealthy, or propertied, as such, is not sufficient to belong to the elite. The great institutions “are the necessary bases of power.”

No one, accordingly, can be truly powerful unless he has access to the command of major institutions, for it is over these institutional means of power that the truly powerful are, in the first instance, powerful

Wealth also is acquired and held in and through institutions. The pyramid of wealth cannot be understood merely in terms of the very rich; for the great inheriting families . . . , are now supplemented by the corporate institutions of modern society; every one of the very rich families has been and is closely connected—always legally and frequently managerially as well—with one of the multi-million dollar corporations.³

What's more, it's through these governing institutions that ruling classes are actually brought into patterns of personal contact, and coalesce into governing elites.

The people of the higher circles may also be conceived as members of a top social stratum, as a set of groups whose members know one another, see one another socially and at business, and so, in making decisions, take one another into account They form a more or less compact social and psychological entity; they have become self-conscious members of a social class.⁴

It is such institutions, to put it in Marxist terms, that constitute capitalists not merely as a class in itself but a class for itself.

¹C. Wright Mills, *The Power Elite*. With a new afterword by Alan Wolfe (Oxford and New York: Oxford University Press, 1956, 2000), p. 4.

²*Ibid.*, p. 7.

³*Ibid.*, pp. 9-10.

⁴*Ibid.*, p. 11.

The institutions through which ruling elites interact and govern are also the institutions by which they are socialized *into* an elite and internalize its values.¹ The entire career path of an individual member of the elite, and all the socialization it entails, renders entirely comical the performance of divesting oneself of assets or putting them in a blind trust upon transferring from a post in the corporate managerial world to one in the state policy-making apparatus.² Even if the individual in question serves some perceived version of the “public good” rather than immediate returns on their investment portfolio, their very conception of the public good is certain to reflect the values of the institutions into which they were socialized. Their heart will continue to be invested, regardless of whether their money is or not.

An approach based on institutional structure and process entails several broad methodological focuses. First is on the kind of institutional mindset selected for and cultivated by ruling institutions. “In so far as the power elite is composed of men of similar origin and education, in so far as their careers and their styles of life are similar, there are psychological and social bases for their unity, based upon the fact of their easy intermingling.”³

Second are the internal structures, mechanics, and interconnections of the governing institutions. “If these hierarchies are scattered and disjointed, then their respective elites tend to be scattered and disjointed; if they have many interconnections and points of coinciding interest, then their elites tend to form a coherent kind of grouping.”⁴

But third and finally, once there is a certain degree of institutional interconnection and circulation of personnel among elites, some amount of conscious coordination follows from it. And besides direct transfer of personnel from corporate C-suites and board rooms into Cabinet agencies, and vice versa, there is an enormous participation by investment bankers, corporate lawyers, and the like in assorted staff positions.⁵

This is not to say that the world is driven primarily by conspiracy, or that “the power elite has emerged as the realization of a plan,” but rather

that as the institutional mechanics of our time have opened up avenues to men pursuing their several interests, many of them have come to see that these several interests could be realized more easily if they worked together, in informal as well as in more formal ways, and accordingly they have done so.⁶

“Conspiracy,” in other words, is an epiphenomenon of institutional and class structure. “As the circle of those who decide is narrowed, as the means of decision are centralized and the consequences of decisions become enormous, then the course of great events often rests upon the decisions of determinable circles.”⁷ The concentrated, interlocking institutional structure of American governance, and its control by a power elite, was not itself brought about by “plots.” But once brought together, the power elite so constituted do indeed plot. Mills points to a distinction by Hofstadter—himself frequently appealed to by interest group liberals as a supposed enemy in principle of all “conspiracy theories”—between the belief that conspiracies occur within history, and the belief that history is itself a conspiracy.⁸

The quintessential “conspiracy theory,” on the other hand—the belief that history is driven by personal cabals centered on the Rothschilds or Rockefellers, motivated by shared esoteric ideologies like Illuminism, “globalism,” etc.—is “a hurried projection from the diffi-

¹*Ibid.*, p. 283.

²*Ibid.*, p. 285.

³*Ibid.*, p. 19.

⁴*Ibid.*, p. 19.

⁵*Ibid.*, p. 289.

⁶*Ibid.*, pp. 19-20.

⁷*Ibid.*, p. 21.

⁸*Ibid.*, p. 293.

cult effort to understand how shifts in the structure of society open opportunities to various elites and how various elites take advantage or fail to take advantage of them.”¹

In keeping with his addition of the institutional element to standard Marxist class theory, Mills’s unit of analysis is a fusion of those capitalists actively engaged in corporate governance with the upper managerial stratum—the “corporate rich”: “the chief executives and the very rich are *not* two distinct and clearly segregated groups.”² The corporate rich came about through the “managerial reorganization of the propertied classes,” as a result of which “the narrow industrial and profit interests of specific firms and industries and families have been translated into the broader economic and political interests of a more genuinely class type.”³ In contrast to the “old-fashioned rich,” who were simply people of property who were associated through family and local society connections, the corporate rich also include “those whose high ‘incomes’ include the privileges and prerogatives that have come to be features of high executive position.” This means that, in addition to the few hundred wealthiest individuals or families in the US, the corporate rich include the senior executives of the large corporations.⁴

More specifically, the corporate rich have achieved unity and consciousness as a stratum as a result of diversification of share ownership, interlocking directorates, and lobbying groups and other associations at industry-wide or cross-industry levels.⁵

The growth and interconnections of the corporations . . . have meant the rise of a more sophisticated executive elite which now possesses a certain autonomy from any specific property interest. Its power is the power of property, but that property is not always or even usually of one coherent and narrow type. It is, in operating fact, class-wide property.⁶

... [I]n this stratum are now anchored the ultimate powers of big property whether they rest legally upon ownership or upon managerial control.⁷

In this Mills differs from Berle and Means, Burnham and others in rejecting the “Managerial Revolution” thesis (i.e. that the managerial stratum rules in its own right independently of the capitalist class). At the same time that the rich themselves are becoming unified into a coherent, self-conscious class through the diversification and dispersal of stock holdings, the managerial stratum is socialized into this class through its entire educational, career and social path. Within the individual corporation, senior management may be largely unaccountable to major shareholders; but society-wide, corporate management and the holders of large-scale equity together constitute the corporate rich as a class.

The commanding heights of the corporate world, the state, and the military form an interlocking elite through both their functional interrelations and the rotation of personnel between them.

[Business and government] cannot now be seen clearly as two distinct worlds. It is in terms of the executive agencies of the state that the rapprochement has proceeded most decisively. The growth of the executive branch of the government, with its agencies that patrol the complex economy, does not mean merely the ‘enlargement of government’ as some sort of autonomous bureaucracy; it has meant the ascendancy of the corporation’s man as a political eminence.⁸

At the time Mills wrote, the great bulk of senior appointed figures in the Cabinet and Executive Office of the President were neither career politicians nor career administrators, but outsiders mostly from corporate backgrounds.⁹

¹*Ibid.*, p. 27.

²*Ibid.*, p. 119.

³*Ibid.*, p. 147.

⁴*Ibid.*, p. 148.

⁵*Ibid.*, pp. 121-123.

⁶*Ibid.*, p. 122.

⁷*Ibid.*, p. 148.

⁸*Ibid.*, pp. 274-275.

⁹*Ibid.*, pp. 231-232.

While I'm not prepared to do a similar breakdown for the present day, on a purely impressionistic level the position of Treasury Secretary seems to be unofficially reserved for a former Citigroup or Goldman-Sachs executive, and Secretary of Agriculture for someone like Tom Vilsack with a similar background in corporate agribusiness. And today, as much as in Mills's time,¹ it's fairly standard for the directors and deputy directors of the various regulatory agencies to be former senior executives of corporations in the regulated industries—and then to become lobbyists for those industries when they leave office.

In short, the majority of those "who occupy the executive command posts and form the political directorate are legal, managerial, and financial members of the corporate rich."²

This is not a perspective limited to radical critics of the system. Interestingly, some apologists for it, who identify with the power elite, share the same point of view. For example Samuel Huntington lamented a "crisis of democracy" which undermined the American domestic structure of political authority, in which the country

was governed by the president acting with the support and cooperation of key individuals and groups in the Executive office, the federal bureaucracy, Congress, and the more important businesses, banks, law firms, foundations, and media, which constitute the private establishment.

It was only the largely autonomous and unaccountable power of this state-corporate elite which enabled the United States to function as "hegemonic power in a system of world order."³

The intersection of military with political and corporate elites adds a further dimension to the corporate state. American capitalism is "at once a permanent-war economy and a private-corporation economy."⁴

Direct funding of research and development in public universities, as well as subsidies to around half of corporate R&D, have played an incalculably important role in the technological development of industry. And military procurement utilizes a major portion of industrial facilities and investment capital that would otherwise be idle. If not for the permanent war economy, the capitalist state would be forced to choose between hundreds of billions of dollars worth of additional civilian spending to increase aggregate demand, or a return to the chronic depression that prevailed before WWII.

Mills dismisses the idea—shared, as we have already seen, by thinkers ranging from Arthur Schlesinger, Jr. to Arnold Rose—that the "progressive" welfare and regulatory state is necessarily "anti-business" or opposed by corporate interests. Instead he posits a schema in which corporate capital is divided into two main wings: 1) the "sophisticated conservatives," who overlap heavily with both corporate liberalism and Kolko's political capitalists; and 2) a conservative wing of capital, the "old guard" of "practical conservatives," represented by such organizations as the National Association of Manufacturers. Elaborating in *The Power Elite*, he writes:

What the old guard represents is the outlook, if not always the intelligent interests, of the more narrow economic concerns. What the business liberals represent is the outlook and the interests of the newer propertied class as a whole. They are 'sophisticated' because they are more flexible in adjusting to such political facts of life as the New Deal and big labor, because they have taken over and used the dominant liberal rhetoric for their own purposes, and because they have, in general, attempted to get on top of, or even slightly ahead of, the trend of these developments, rather than to fight it as practical conservatives are wont to do.⁵

¹*Ibid.*, p. 233.

²*Ibid.*, p. 235.

³Samuel P. Huntington, Michael J. Crozier, Joji Watanuki. *The Crisis of Democracy*. Report on the Governability of Democracies to the Trilateral Commission: Triangle Paper 8 (New York: New York University Press, 1975), pp. 92, 105-106.

⁴Mills, *The Power Elite*, p. 276.

⁵*Ibid.*, p. 122.

He also dismisses the pluralist idea that different interest groups or concentrations of “countervailing power” balance each other out. This may be true of middle levels of power, involving mostly secondary issues that don’t involve the fundamental economic and political structure. But at the top levels the allegedly counter-balancing or countervailing institutions are in fact either organized into interlocking institutional complexes where regulatory and regulated bodies are governed by the same rotating personnel and share common institutional culture, or they are vertically integrated. The interest groups “coincide on many points of interest.” As ostensibly countervailing institutions become more centralized, “they come to coincide in interest and to make explicit as well as tacit alliances.”¹

On the other hand, although Mills is classified along with mainstream Marxists as an “instrumentalist” by structuralists and state autonomists—and probably rightly so—his position is not of the cartoonish sort their rhetoric might imply. For example, he rejects simple Marxist language of a “ruling class” for its implication that “an economic class rules politically,” or that “high economic men unilaterally make all decisions of national consequence.” This framing “does not allow enough autonomy to the political order and its agents.” In Mill’s view, the senior levels of the political, economic, and military orders “often have a noticeable degree of autonomy,” and function as a single national elite in making decisions only “in the often intricate ways of coalition.”²

G. William Domhoff. Although Domhoff was heavily influenced by Mills, his model at first seemingly departs considerably from Mills’s ruling-elite model (which “implies that the same persons control a wide variety of issues”), and instead framed the power structure in terms closer to the more conventional governing-class model (which “implies only that the leaders are drawn from an upper class”). As he states it:

A governing class is a social upper class which receives a disproportionate amount of a country’s income, owns a disproportionate amount of a country’s wealth, and contributes a disproportionate number of its members to the controlling institutions and key decision-making groups in that country.³

Nevertheless he adds qualifications which go a long way to obscuring the practical distinctions between governing class theory and power elite theory. In addressing the fact that a significant number of the people who make up ruling institutions do not themselves come from backgrounds in the upper class, Domhoff argues:

We have found in most instances that they were selected, trained, and employed in institutions which function to the benefit of members of the upper class and which are controlled by members of the upper class. From this we have argued that they are selected for advancement in terms of the interests of members of the upper class. We have thus introduced the “power elite” concept, which refers to high-level officials in institutions controlled by members of the upper class. We have emphasized that members of the power elite may or may not be members of the upper class, but that the power elite is rooted in the upper class and serves the interests of members of the upper class.⁴

As he describes it elsewhere, Domhoff has not so much discarded Mills’s institutional based power elite theory as “grounded the power elite in a social class.”⁵ Perhaps his position can be best described as a fusion between Millsian elite theory and Marxist class theory. The power elite theorists “overstate the role of institutions, just as Marxists overstate the role of class The ruling class could not exist without the institutions, but the institutions are infused with class values.”⁶

¹*Ibid.*, p. 267.

²*Ibid.*, p. 277n.

³G. William Domhoff, *Who Rules America?* (Englewood Cliffs, N.J.: Prentice-Hall, 1967), p. 142.

⁴*Ibid.*, p. 144.

⁵Domhoff, *The Powers That Be: Processes of Ruling Class Domination in America* (New York: Vintage, 1978), p. 14.

⁶Domhoff, *Who Rules America Now?* (Prospect Heights, IL: Waveland Press, 1983), pp. 217-218.

Domhoff adopts and elaborates on Mills's taxonomy of factions within the economic elite.

The business liberals, who usually come from the biggest, most internationally minded companies, speak through such organizations as the Council on Foreign Relations, the Business Advisory Council, the Committee for Economic Development, the Democratic Party, and the moderate wing of the Republican Party, while the "old guard" of practical conservatives, who tend to be nationally oriented businessmen, speaks through the National Association of Manufacturers and the conservative wing of the Republican Party.¹

In contrast to liberals like Schlesinger and Rose, Domhoff identifies the two factions of the capitalist elite, respectively, with the two major American political parties.

There are few people who would deny that the Republican Party is controlled by members of the power elite. It is often stereotyped as the party of "big business," and we will present evidence which supports this belief. However, this stereotype has been unfortunate because it turns attention from the fact that the Democratic Party is controlled by different members of the same elite group. We cannot overemphasize the falsity of the stereotype of the Democratic Party as the party of the "common man," for it is this stereotype which leads many social scientists to deny that the American upper class is a governing class.²

The fact that a majority of the capitalist class "hates the government," or resents New Deal and Great Society policies, does not alter the fact that such policies reflect the interests of capital. "The federal government is controlled by the corporate rich," and "most businessmen are not part of the group that controls the government."³

In addition, Domhoff echoes Paul Sweezy's "executive committee" thesis: the capitalist state takes actions in the long-term interests of capital as a whole, which are opposed in the short run by many—or even a majority of—corporate interests. "...[E]ven a government controlled by the corporate rich will often take measures which are distasteful to many corporations and corporate executives."⁴

In *The Power Elite and the State*, Domhoff expands and develops considerably on his taxonomy of ruling class factions, breaking it down into four segments:

There is first of all an internationalist segment that includes all those banks, corporations, service businesses, and law firms that have a strong interest in overseas sales, investments, or raw materials extraction. These firms tend to be the largest of American corporations....

There is secondly a nationalist manufacturing segment of the ruling class that is rooted in domestic markets that traditionally may have been more competitive than the markets dominated by the internationalists. This segment is symbolized by the NAM and similar employer organizations

.... Third..., there is a southern segment of the ruling class. This segment was first rooted in slave ownership and then from 1865 to the post-World War II era in land ownership and low-wage labor.... It is the southern and nationalist segments that are the backbone of the conservative coalition in Congress....

Finally, there is a historically more localized segment of the ruling class that is rooted in real estate and development. Its members are organized into citywide growth coalitions that seek to advance their fortunes by increasing the value of their land.⁵

Like Mills, Domhoff rejects the managerialist thesis. If the capitalist class is given structure and consciousness through the corporate rich, the managerial stratum is in turn thoroughly enculturated into the values of the propertied classes. The power elite goes much deeper than the management of business enterprise.

¹Domhoff, *Who Rules America?*, p. 28.

²Ibid., p. 85.

³Ibid., p. 154.

⁴Ibid., pp. 154-155.

⁵Domhoff, *The Power Elite and the State: How Policy is Made in America* (New York: Aldine de Gruyter, 1990), pp. 38-39.

We also have to recognize that there are many upper-class families rooted in wealth that has been diversified over the generations into a combination of stocks, bonds, and real estate. I believe that members of such families develop a general class interest. Many members of these families become corporate lawyers, investment bankers, policy experts, university professors, or even politicians in some cases. Put another way, the power elite as I understand it cannot be reduced to “business leaders” or “corporate executives”.... The power elite is the leadership group of a segmented capitalist class that is also a social upper class, and the interests of that social class are both more general and more narrow than mere “business” interests.¹

In rebutting the “Managerial Revolution” thesis, Domhoff points out that as of 1969, the top 1% of individuals owned 51% of all stock.² This has since fallen to “only” 38% (2019).³ But in 1969, he further notes, the actual concentration of control was understated because nominal individual ownership did not include stock controlled through family trusts and holding companies.⁴ For example, the discovery of Weyerhaeuser family members on the board of Fiduciary Counselors, Inc. revealed the family continued to hold a controlling interest in Potlatch and Arcata National for some time after they were previously believed to have lost it.⁵ The same principle no doubt also holds true today.

He sees whatever dispersal of share ownership *has* occurred, not as attenuating the economic power of capitalists, but as consolidating it on a class-wide basis.

First of all, the decline of family capitalism does not mean widespread stock ownership within the general population; it means *dispersal within the upper class* Furthermore, it is not necessary to control a company in order to be socially responsible. That is, members of the American upper class now have an interest in the success of the business system as a whole. Contrary to [Daniel] Bell, this may give members of the upper class an even greater community of interest than they had in the past when they were bitterly involved in protecting their standing by maintaining their individual companies. Then too, the fact that many members of the upper class are not tied to a given corporation frees them to be involved in other aspects of the socioeconomic system, such as governmental service. This may well lend to the stability of the system. Nor ... does the fact that members of the upper class do not own their own individual companies mean they do not involve themselves in the management of large corporations in which they own only a small share.⁶

In response to the popular neoconservative “pension fund socialism” talking point, he noted that stock in pension funds carries no voting rights, and convey to members only the right to a certain guaranteed payout.⁷ Of course Domhoff wrote this in the early 80s, when the overwhelming majority of workers’ pension funds were of the defined-benefit type. A defined-contribution plan may carry equity that is theoretically fungible, but in practice is quite difficult to withdraw. And of course a substantial share of pension funds are still defined-benefit. In any rate, pension funds do not convey voting rights in corporate governance to the beneficiaries.

Another argument for the managerial revolution thesis is the allegedly autonomous values of professional managers who come from outside the upper class: “the leadership is provided by middle-class experts or technocrats whose primary concern is not with profits, which is the main interest of the upper-class owners, but with balancing the demands of workers, consumers, and owners.”⁸

Domhoff argues in response that even when they come from middling origins, senior managers are encultured into upper-class values. “Whatever the social origins of corporate ex-

¹*Ibid.*, p. 39.

²Domhoff, *Who Rules America Now?*, p. 58.

³Robert Gebeloff, “Who Owns Stocks? Explaining the Rise in Inequality During the Pandemic,” *The New York Times*, January 26, 2021 <<https://www.nytimes.com/2021/01/26/upshot/stocks-pandemic-inequality.html>>.

⁴Domhoff, *Who Rules America Now?*, pp. 60-61.

⁵*Ibid.*, p. 62.

⁶Domhoff, *Who Rules America?*, p. 40.

⁷Domhoff, *Who Rules America Now?*, p. 58.

⁸*Ibid.*, p. 73.

ecutives, they are educated and trained in a small number of private universities and business schools.” At the time of writing, he noted that a third of senior managers of the largest corporations came from three Ivy League schools, and the majority came from the twelve most heavily endowed schools. The socialization process is continued through the emphasis on conformity in corporate organizational culture, reflecting the need for mutual trust in an uncertain environment. Fitting in with the old-boy network is a prerequisite for continued advancement.¹

At the time of writing *Who Rules America?*, 1967, Domhoff argued that capitalist control—or control by the propertied classes—was exerted not so much by family share voting blocks in the individual corporations, but collectively, through the kinds of “interest groups” centered around large banks and finance houses which contained a great many of the major corporations through minority ownership and legal device [e.g. holding companies, trusts, etc.],” eight or so of which Paul Sweezy had thirty years earlier determined to be largely in control of the corporate economy.² Or as Domhoff described similar units, “intermarried families and social cliques who operate through holding companies, family trusts, and family foundations.”³ In his own day, Domhoff numbered the Rockefeller, Morgan, Du Pont, and Mellon interest groups, and the tight-knit group around First National City Bank of New York, among them.⁴ One study found that of 232 large corporations in 1960, in 141 the Directors held enough stock between them to control the corporation. It probably underestimated actual ownership because SEC regulations do not require reporting of Directors’ relatives’ holdings.⁵

The extent to which the corporate economy is still subject to collective control of the same sort, much closer to our own day, is indicated in a 2011 paper which found that a core of 1318 transnational corporations with interlocking ownerships were able to influence tens of thousands of other transnationals. These 1318, in turn, were dominated by a “super-entity” of 147 tightly knit corporations. Of the core of 147, the top ten were all banks, insurance companies, or investment funds.⁶

Besides the intersection of corporations and state agencies—a model Domhoff shares with Mills—he also focuses on a wide array of other interlocking centralized institutions, like the large foundations, think tanks, and major universities, whose leaderships share in large part not only a common social background with senior corporate management and executive political appointees but often the same rotating personnel.⁷

The propertied upper class and the corporate rich intersect heavily with the upper level of appointees in the executive branch. Domhoff examines the occupants of the leading Cabinet departments—i.e. State, Defense, Justice, and Treasury—over the previous three decades or so and finds the great bulk of them to have been listed in the Social Register, or to have had previous careers as corporation lawyers, investment bankers, or corporate executives.⁸

The same is true of the President’s staff and advisers—e.g., the corporate executives, investment bankers and corporation lawyers featured in Roosevelt’s so-called “Brain Trust.” It was true in particular of the figures associated with FDR’s industrial policy. Gerard Swope, president of General Electric and head of the Business Advisory Council, was a strenuous ad-

¹*Ibid.*, pp. 73-74.

²Domhoff, *Who Rules America?*, p. 47.

³*Ibid.*, p. 48.

⁴*Ibid.*, pp. 48-49.

⁵*Ibid.*, p. 49.

⁶Debora Mackenzie and Andy Coghlan, “Revealed—the capitalist network that runs the world,” *New Scientist*, October 19, 2011 <<https://www.newscientist.com/article/mg21228354-500-revealed-the-capitalist-network-that-runs-the-world/>>.

⁷Domhoff, *Who Rules America?*, pp. 64-79.

⁸*Ibid.*, pp. 97-101.

vocate of the policy that eventually came to be administered by the NRA: restricting competition and empowering large corporations to jointly determine outputs and set prices.¹

Regulatory agencies typically serve the industries they ostensibly regulate.² This is not to say Domhoff endorses the liberal “regulatory capture” thesis. He echoes Gabriel Kolko in saying that capitalists did not *capture* the agencies, but rather *created* them.

In that [liberal] reading of the American past, so popular among historians, regulatory agencies were created by strong popular desire and anticorporate reformers. Only later were they taken over by the clever vested interests.

Contrary to this view, there is good reason to believe that something more sophisticated and subtle actually happened. An examination of the papers of the first nationwide policy-planning group suggests that regulatory agencies were the device used by probusiness reformers to quell popular agitation and the proposals of antibusiness reformers and socialists.³

Domhoff, like Mills, also found considerable upper class control over the media. There was the obvious case of influence by advertising dollars, and the big corporate newspapers, radio and television chains (e.g. Hearst, Knight, Ridder, Scripps-Howard, etc.). But besides that, in every city with a Social Register—with the exception of Pittsburgh—there was at least one newspaper owned by a member of the Social Register.⁴ The same pattern held true with mainstream national journals of opinion and the major television networks.⁵

Of course two decades or so later, the degree of concentration—as described by Noam Chomsky and Edward Herman—had reached levels Domhoff could hardly have imagined.

Aside from all these structural forces centered primarily on interlocking institutions and circulation of personnel, Domhoff devotes considerable attention in all the books cited to things like campaign finance and lobbying. But the effect of these things is hardly controversial; even the most naive of liberal good government types acknowledge them. Hence we can consider them read into the record.

In his 1967 work *Who Rules America?*, Domhoff adopted the “sociology of leadership” approach in preference to the “decision-making” approach, in assessing whether there was a governing class in America. He argued that it was comparatively easy to determine objectively the sociological composition of leadership groups, their family origins, career paths, etc., while “it is seldom possible to know all the factors and arguments that went into a decision, much less who initiated and vetoed specific proposals. This is especially the case when decisions are made in complete privacy....” Likewise, “it is seldom possible to determine immediately what will be the effect of a given decision,” which is “necessary to determine which group was favored by the decision.”⁶

Nevertheless, he devoted much of his subsequent career to case testing the power elite model through case studies on particular policies. In *The Higher Circles*, published in 1970, he devoted two long essays to the institutional makeup of the foreign and domestic policy-making apparatus, as well as case studies on the Social Security Act and New Deal labor legislation.⁷ And *The Power Elite and the State* consisted almost entirely of a series of such case studies.

In my opinion domestic policy is more relevant to the instrumentalist and power elite theses, because “progressive”—i.e., social welfare and labor—legislation is most frequently appealed to as ostensibly falsifying those theses. In the case of social policy, “on the face of

¹*Ibid.*, pp. 103-104.

²*Ibid.*, p. 108.

³Domhoff, *The Powers That Be*, p. 94.

⁴Domhoff, *Who Rules America?*, pp. 81-82.

⁵*Ibid.*, pp. 82-83.

⁶*Ibid.*, p. 146.

⁷Domhoff, *The Higher Circles: The Governing Class in America* (New York: Vintage Books, 1970, 1971).

it—workmen's compensation, social security, collective bargaining—there seems to be considerable evidence for the pressure of other social groups¹

Some authors actually claim that all of these innovations were made in spite of the opposition of the business community. Consider this sweeping statement from the *Harvard Business Review*: "Business has not really won or had its way in connection with even a single piece of proposed regulatory or social legislation in the last three-quarters of a century."²

So demonstrating that corporate representatives played a significant role in formulating such policies, or that they were formulated with a few primarily to capitalist interests, would—*a fortiori*—go a long way towards confirming the so-called instrumentalist thesis.

Domhoff's analysis of the general institutional background of such policy, in *The Higher Circles*, coincides pretty strongly with that of the corporate liberal school. The actual policies he examines in that book include workers' compensation, the Federal Trade Commission Act, the Social Security Act, and labor legislation through the New Deal (especially the Wagner Act).

In the case of workers' compensation, the National Civic Federation (in which the House of Morgan was heavily represented) and the American Alliance for Labor Legislation played the overwhelmingly dominant role in shaping the legislation.³ The primary motivation behind it was the threat, as perceived by moderate capitalists represented in those bodies, of increasingly radical demands on employers if action wasn't taken. As one NCF policy expert put it: "We must make a move toward compensation soon. Otherwise we will continue, with ever increasing impetus, down the broad road of the employer liability laws, which leads to social destruction."⁴

The legislation, in short, was a matter of business elites deciding to take action at a time when they could control the form it took, and head off the threat of more radical action being forced on them. The legislation "cost them very little and helped head off undue unrest. From their point of view, the result of the act was a more efficient and stable work force, and relief from the nuisance and potential costliness of court cases."⁵

Regarding the FTC Act, Domhoff echoes both James Weinstein and Gabriel Kolko. Domhoff's framing of the intent behind the Act is essentially the same as Kolko argues, more broadly, for the entire Progressive Era reform agenda:

First, there was the uncertain legal status of big corporations following the Sherman Act and various court interpretations. Second, there was the problem of dealing with cutthroat competition, that is, with regulating disputes within the business community [or in Kolko's terms, creating oligopoly markets that could function without destabilizing price wars]. Third, there was the problem of dealing with socialist and muckraking agitation. Finally, regulation varied from state to state, and the corporations were eager to see such functions taken over by the federal government, probably for reasons of simplicity, efficiency and ease of control.⁶

In other words, for the most part the same agenda Kolko summarized under the heading of "political capitalism," in the interest of stability and rationality.

The role of various attorneys for J.P. Morgan & Company, and Elbert Gary of U.S. Steel, in the NCF group that drafted the Act and its precursors, is indicative of its business support. The process of putting it in final form was largely a process of political negotiations between this group and the NAM.⁶

¹*Ibid.*, p. 157.

²*Ibid.*, pp. 196-201.

³*Ibid.*, p. 198.

⁴*Ibid.*, p. 201.

⁵*Ibid.*, p. 202.

⁶*Ibid.*, pp. 204-205.

In contrast to Arthur Schlesinger, Jr., who treats the NAM as a proxy for “business” in its opposition to the Social Security Act,¹ Domhoff notes that the Business Advisory Council—which counted GE’s Gerard Swope, Walter Teagle of Standard Oil of New Jersey, Singer Sewing Machine Co’s Robert Elbert, Winthrop Aldrich of Chase National Bank, and many others representing such corporations as U.S. Rubber Company, Procter and Gamble, and Leeds and Northrup—“strongly endorsed” the social security agenda.² The goals and final form of the legislation were entirely in keeping with the corporate liberal strategy:

There was considerable distress and discontent bubbling up from the lower levels within the depression-ridden society. This was producing expensive solutions such as the Townsend Plan to give every oldster \$200 a month, and the economic system in general was being criticized. The moderate members of the power elite, with the help of academic experts, decided to accommodate these demands on the basis of plans developed by such elite-backed organizations as the American Association for Labor Legislation. These moderates carried their plans to a Congress that was more in sympathy with the less moderate NAM members of the power elite. Within Congress these moderate and conservative views reached a compromise that became the Social Security Act. The act was a far cry from what had been hoped for or demanded by the extremists, but it was probably their pressure that activated the moderate members of the power elite and enabled them to effect an improvement in the situation. While it is certainly true that many people benefited from the measure, which is what pluralists would quickly point out, it is also true that the result from the point of view of the power elite was a restabilization of the system. It put a floor under consumer demand, raised people’s expectations for the future and directed political energies back into conventional channels The wealth distribution did not change, decision-making power remained in the hands of upper-class leaders, and the basic principles that encased the conflict were set forth by moderate members of the power elite.³

(Something of the AALL’s priorities can be inferred from its early motto “Conservation of Human Resources,” to which was later added “Social Justice is the Best Insurance Against Labor Unrest.”)⁴

Another business-funded and strongly business-connected group, Industrial Relations Counselors, Inc. (IRC), played a central role along with the AALL in actually drafting the Social Security Act. The IRC was created by John D. Rockefeller, Jr.—also its chief source of funding—and two of its directors were the chairmen of U.S. Steel and Standard Oil of New Jersey. Two members of the four-member staff that wrote the old age pension provisions of the Social Security Act came from a background in Rockefeller’s policy network: one was an employee of both IRC and AALL, and the other was an economics professor with close ties to the IRC who was director of the Rockefeller-endowed Industrial Relations Section at Princeton. A third was an actuary for Metropolitan Life, which endorsed Social Security in 1935.⁵

Swope, Teagle, and Marion Folsom of Eastman Kodak, in the Business Advisory Council, threw their weight behind the old age pension provisions at a time when it was feared the bill might eliminate them and focus primarily on unemployment insurance.⁶

By far the most contentious—contentious, that is, within the capitalist power elite—piece of policy Domhoff examines was the Wagner Act. In *The Higher Circles*, as he later admitted in *The Power Elite and the State*, he overstated the business liberals’ support for it, and he reworked his thesis in the latter work. In his treatment of the Wagner Act in *The Higher Circles*, Domhoff correctly traced the basic principles of the act back to corporate precedents like the American Plan, introduced by moderate capitalists like Swope, and to early policy analysis in venues like the NCF. But he downplayed the extent to which even a con-

¹*Ibid.*, p. 213.

²*Ibid.*, pp. 213-215.

³*Ibid.*, pp. 217-218.

⁴Domhoff, *The Power Elite and the State*, p. 46.

⁵*Ibid.*, p. 57.

⁶*Ibid.*, p. 58.

siderable number of moderate capitalists, Swope himself included, rejected the legislation in its final form.

Even in the earlier work, Domhoff conceded that moderate capitalist enthusiasm for collective bargaining was a mile wide and an inch deep. Even within the “enlightened” NCF, capitalist members shifted mercurially between progressive pro-labor policy and repressive practices like espionage and Pinkerton violence, with one or the other prevailing at any given time on purely opportunistic grounds. Moderate corporate leaders were willing to bargain “if labor really showed major strength,” and equally willing to reclaim their prerogatives when the balance of power shifted. And even the bargaining itself was a dual strategy: “adherents to the NCF approach tried to introduce the necessary reforms to undercut unions even while they spent some of their time talking to labor leaders and espousing their commitment to labor peace. In short, carrot and stick was the moderate policy....”¹

But in general terms, at any rate, the moderate leadership of American big business was willing to reach an accommodation with labor in return for stability.

If we could force the general factors leading to the Wagner Act and collective bargaining into a single sentence, perhaps we could say the fact that final victory went to the NCF-type moderates within the power elite attests to their foresight in desiring to forestall class politics and political violence . . . , their desire for stability and efficiency, and the oligopolistic position of their large corporations, which allowed them for several reasons to accede to certain labor demands at little or no cost to themselves.²

The general terms of the compromise were tentatively worked out early in the century by representatives of capital and labor in the NCF, although aside from a few experiments with the American Plan they were mostly not put into practice until the Wagner Act. The basic outline of the “ideological bargain” between labor and capital, as it first worked itself out in the NCF, was this:

From the side of capital, the concessions were collective bargaining (but no employer was to be forced by law to bargain), the right to organize unions (but no closed shops), protection against wage cuts, the possibility of gradual wage increases commensurate with increases in productivity and efficiency, and a real voice in the setting of working conditions The benefits to capital were several: greater efficiency and productivity from labor, less labor turnover, the disciplining of the labor force by labor unions, the possibility of planning labor costs over the long run, and the dampening of radical doctrines.³

From the standpoint of the capitalist representatives in the NCF—a standpoint with which FDR’s labor agenda maintained a strong continuity—the purpose of the accord was to divert labor from potentially radical political activity to collective bargaining over bread and butter issues, and to bring the more responsible and conservative labor leaders to the forefront.⁴ The collective bargaining process, as seen by representatives of capital, “involved a narrowing of worker demands to a manageable level,” and “contained the potential for satisfying most workers at the expense of the socialists among them”⁵

J.K. Galbraith’s discussion, in *The New Industrial State*, of the “technostructure’s” long planning horizons and need for predictability, dovetails considerably both with Domhoff’s analysis and with Kolk’s concept of “political capitalism.”

Even among large corporate interests, capital was divided over the terms of the accord from the beginning. The House of Morgan was generally favorable, for example, and US Steel to a lesser extent, while the duPont-GM interests were opposed.⁶

¹Domhoff, *The Higher Circles: The Governing Class in America*, p. 220.

²Ibid., p. 223.

³Ibid., pp. 224-225.

⁴Ibid., pp. 231-232.

⁵Domhoff, *The Power Elite and the State*, p. 73.

⁶Domhoff, *The Higher Circles*, p. 225.

The American Plan, in its broad outlines, prefigured many aspects of the Wagner regime. According to Edward Filene (of both the NCF and Filene's department stores), some employers were more favorable to dealing with unions if they were of the industrial type, permitting contracts with a single agent rather than a confusion of craft unions in the same workplace.¹ The American Plan, as implemented by Gerard Swope in GE, involved a single bargaining agent much like the later industrial unions of the CIO, and offered things like seniority, periodic wage increases, and a grievance process in return for agreeing to let management manage.

The policy-making process directly involved in writing the Wagner Act and its precursors, and in administering the various precursors to the NLRB, were overwhelmingly business-oriented and conservative.

There was initially indication of substantial business support for the general direction of FDR's labor policy. In reaction to the unexpected massive upsurge in labor activity in the weeks following the passage of Section 7a of the NIRA, there was increased openness in principle among corporate leaders—specifically reflected in the predominant attitudes within the Business Advisory Council—to the idea of collective bargaining. "There was so much labor strife and unrest six weeks later [i.e. after passage of NIRA] that major business leaders began to contemplate a compromise with organized labor."²

Walter Teagle of Standard Oil, in a private August 1933 meeting of BAC members of the Industrial Advisory Board and Labor Advisory Board, suggested a truce with labor in order to create space for working out the terms of price, hours and wages codes. He recommended the two advisory boards jointly create an arbitration agency to work out a mutually acceptable interpretation of Section 7a.

The result was the National Labor Board.³ The Board, headed by Senator Wagner, included three members from industry, two from labor, and one from academia. Two of the business members were Swope and Teagle, and the two labor members were William Greene and John L. Lewis of the AFL—both of them conservative unionists focused on bread-and-butter issues.⁴

The early actions of the Board seemed propitious for labor peace. In its first few weeks it settled several strikes, in the process creating the Reading Formula (named for a strike of hosiery mills in Reading, Pa), which functioned as a precedent. The Formula's five planks included immediate end to the strike, reinstatement of all strikers, an NLB-certified secret election on unionization, employer agreement to collective bargaining if a union were approved, and submission of all differences unresolved in negotiation to an arbitration body.⁵

However its successes in resolving strikes involved mostly smaller concerns. The auto and steel industries resisted accepting its decisions, and the NAM actively went on the offensive against it. The result was a shift in the mood of the BAC and conflict within the body over the direction of labor policy. Pierre du Pont publicly dissented from the previous direction of BAC and NLB policy, and became the public face of reaction against the tenuous labor peace.⁶

The collapse of the corporate moderate position within the Business Advisory Council meant that henceforth "labor policy would be decided by the President and Congress."⁷

Following the disappointing performance of the National Labor Board and Wagner's failure to get serious backing for new labor legislation, at FDR's behest—and with Wagner's

¹*Ibid.*, p. 233.

²Domhoff, *The Power Elite and the State*, p. 81.

³*Ibid.*, pp. 83-84.

⁴Domhoff, *The Higher Circles*, p. 236.

⁵Domhoff, *The Power Elite and the State*, p. 86.

⁶*Ibid.*, pp. 86-87.

⁷*Ibid.*, p. 89.

approval—the NRA issued Public Resolution No. 44, creating a National Labor Relations Board. Its first head was Lloyd Garrison, a law school dean and former Wall Street lawyer, who after WWII resumed practicing as senior partner in one of the biggest Wall Street law firms. His successor, Francis Biddle, was “former counsel for the anti-union Pennsylvania Railroad.” The body was undermined by FDR, the attorney general and NRA, all of whom failed to back up its largely advisory decisions.¹

Wagner’s response was once again to propose legislation—what was eventually passed as the Wagner Act—giving the NLRB authority to enforce its decisions (among them the prohibition of unfair labor practices).² The people engaged in the drafting process were, by and large, conservative corporate lawyers or law professors. They included Biddle and Garrison;³ the person who actually “held the pen” was Wagner’s legislative aide and who, if “quite liberal,” was nevertheless (as the son of South Carolina’s largest cotton planter) ideally suited to make sure the final form of the bill was acceptable to southern Democrats.⁴ If corporate leadership had mostly abandoned FDR’s labor policy, Wagner was nevertheless written by people who saw themselves as acting in the long-term interests of business and the stability of capitalism.

FDR himself, during the meandering course of labor policy described above, was essentially moderate—and, it’s fair to say, largely uninterested. As Domhoff explains, at length:

He was not unsympathetic to labor, but had no great interest in labor unions. Moreover, he came out of the more paternalistic school of the National Civic Federation [quoting Schlesinger]: “Reared in the somewhat paternalistic traditions of pre-war progressivism and the social work ethos, Roosevelt thought instinctively in terms of government’s doing things for working people rather than of giving the unions power to win workers their own victories.” On the other hand, he well understood the NAM mentality and was impatient with it: “I am fairly certain that the Manufacturers Association and some of that crowd did everything they could do to foment the general strike [in San Francisco], knowing that a general strike can never be successful and that when it failed it would end the days of organized labor.” Roosevelt, according to Schlesinger, “saw himself as holding the balance between business and labor,” and it is here that Roosevelt, Schlesinger, and others have led us astray. Roosevelt was not a balance between business and labor, but an integral member of the upper class and its power elite. However, he was a member of that part of the power elite that had chosen a more moderate course in attempting to deal with the relationship of labor and capital While he did not encourage unionism, as his record during the thirties makes very clear, he was nonetheless unwilling to smash it in the way the NAM had hoped to do since 1902. I believe we see here the importance of the ideas developed within the NCF in the pre-World War I years, ideas which Roosevelt encountered as head of shipyards during World War I and as a member of the NCF. When the time came for choosing, he and the moderate members of the power elite chose bargaining rather than repression.⁵

Those testifying in favor of the bill during hearings included a number of people with backgrounds in the NLRB and NCF. Garrison’s description of organized labor in the hearings was typical of the liberal capitalist position: “a bulwark against radical movements,” and “necessary to increase the purchasing power of labor in order to get industry moving again” [paraphrase by Domhoff].⁶ Nevertheless the bill faced considerable opposition, not only by the NAM and Chamber of Commerce but from large corporate interests—including the auto and steel industry—that were the main ground of corporate liberalism.⁷

Despite overwhelming business opposition, including from the large corporate interests normally most prone to “sophisticated conservatism,” the Wagner Act overwhelmingly

¹Domhoff, *The Higher Circles*, pp. 238-240.

²*Ibid.*, p. 241.

³Domhoff, *The Power Elite and the State*, pp. 92-93.

⁴*Ibid.*, pp. 93, 95.

⁵Domhoff, *The Higher Circles*, pp. 241-242.

⁶*Ibid.*, p. 243.

⁷*Ibid.*, p. 243.

passed Congress. Why? The first reason Domhoff advances is that Wagner made sure, by excluding farm and seasonal labor from its provisions, it was acceptable to Southern Democrats. Second, if it didn't meet the approval of corporate leadership, it was at least acceptable to "the upper-class centrists who controlled the executive branch. Third, the nativist craft unions and the radical, foreign dominated industrial unions, traditionally hostile, showed an unprecedented degree of unity in supporting Democrats and militance in labor agitation (and, conversely, Roosevelt had cemented a strong alliance with the industrial working class). In place of the unusual polarization between large, export-oriented industry and the NAM, there was the novel situation of the previous two factions allying against Wagner while a temporary and unstable coalition of working class voters, southern business interests and liberals united in support of it.¹

"In short," Domhoff sums up, "there can be no doubt that there was a deep and serious split within the power elite on how to deal with organized labor." In fact FDR's labor policy was by far the most divisive of any New Deal policies among business elites, alienating even business liberals to a far greater extent than any other economic policy.² Still, it was moderate business-oriented members of the power elite who pushed the policy through. Even if they constituted a minority of business elites, they were the segment of the capitalist elite that controlled the state ("the moderate clique within the power elites that held the political reins at that crucial juncture," in Domhoff's words), and they implemented the policy largely for the same of long-term, general capitalist interests.³

After Wagner's passage, Roosevelt worked hard to conciliate industrial leaders through a personal charm offensive, starting with a personal meeting with Myron Taylor of US Steel (mediated by the Morgan machine's Thomas Lamont) that developed into a friendship. Roosevelt, in turn, mediated a detente between Taylor and the CIO that was cemented by a contract. Similar diplomatic initiatives more or less won over Walter Chrysler and Bill Knudsen of GM.⁴ And despite misgivings about the Wagner Act, other leading members of the power elite—Averill Harriman of Union Pacific, Swope of GE, and Teagle of Standard Oil of New Jersey among them—helped win over their peers.⁵

Domhoff concludes this history of the Wagner Act with a summary considerably different from the standard liberal view.

A powerful mass of organized workers did not overwhelm a united power elite position. Rather, moderate members of the power elite, faced with a very serious Depression, massive unemployment, declining wages, growing unrest, and spontaneous union organizing, and after much planning and discussion, chose a path that had been traced out gradually over a period of thirty-five years by the National Civic Federation, the Commission on Industrial Relations, and other pro-union forces within the power elite. By making certain concessions and institutionalizing their conflict with labor, they avoided the possibility of serious political opposition to the structure of the corporate system.⁶

Despite his acknowledgements in *The Higher Circles* of the far greater divisiveness of Wagner compared to other New Deal legislation Domhoff went still further in *The Power Elite and the State*, confessing that he had underestimated the degree of business opposition in the previous work. He specifically failed to recognize "the opposition of even the most moderate of corporate leaders to Wagner's legislative proposals,"⁷ and that "virtually all employers abandoned New Deal labor policy in the spring of 1934."⁸

¹Domhoff, *The Power Elite and the State*, pp. 97-101.

²Domhoff, *The Higher Circles*, p. 243.

³*Ibid.*, p. 244.

⁴*Ibid.*, pp. 246-247.

⁵*Ibid.*, p. 247.

⁶*Ibid.*, p. 249.

⁷Domhoff, *The Power Elite and the State*, p. 90.

⁸*Ibid.*, p. 66.

Nevertheless, he reaffirmed most of the primary theses from the earlier book: "the direct involvement of businesspeople in the creation of many of the specific procedures that went into the Wagner Act," and its reflection of the strategic point of view of employers.¹ Indeed, the analysis in *The Power Elite and the State* upheld, in its broad outlines, most of that in *The Higher Circles*: the influence of ideas developed in the NCF and AALL, the role of corporate elites in developing those ideas, and the origin of most of the specific features of business unionism under the Wagner Act in previous practices of corporate power. If anything, in *The Power Elite and the State* he strengthened his previous analysis by providing additional sources demonstrating the role of business interests in formulating NCF and AALL policies.

The one serious revision was his acknowledgment of the near-unanimous defection of big business from the final form of Wagner. The essentials of the analysis—Wagner's embodiment of corporate liberal or "sophisticated conservative" principles, and its objective of stabilizing capitalist labor relations on an essentially conservative, capitalist basis—still stood. If Wagner was not backed by the dominant forces within capital, it was still essentially designed—whether they recognized it or not—on their behalf.

Domhoff summarized the overall lessons from his study, in *The Higher Circles*, of Progressive and New Deal state social welfare, regulatory and welfare policies:

Members of the power elite have been intimately involved in shaping and developing the social legislation of the twentieth century. The power elite did not merely pervert and take over the regulatory agencies—they planned and developed them as an alternative to public ownership, destructive competition, and uneven state regulation.... Even the Wagner Act shows their considerable ideological influence, dating back to the turn of the century. And if, as I fully agree, the power elite have been reacting to pressure from "below" and granting some degree of satisfaction to the unhappy, I would emphasize that they have been doing so on their own terms. It is the power elite who take the overall view.... In short, it is the power elite that develop the plans to deal with the pressures of domestic discontent.²

¹*Ibid.*, p. 66.

²Domhoff, *The Higher Circles*, pp. 249-250.

Theory of the State: Structuralism

Structural Marxism began as a critique of Ralph Miliband and the power elite school. Its founding document as a self-conscious school was probably the review by Nicos Poulantzas of Miliband's *The State in Capitalist Society*.¹ In it he referred to

the difficulties that Miliband has in comprehending social classes and the State as *objective structures*, and their relations as an *objective system of regular connections*, a structure and a system whose agents, 'men', are in the words of Marx, bearers of it—*träger*. Miliband constantly gives the impression that for him social classes or 'groups' are in some way reducible to *inter-personal relations*, that the State is reducible to inter-personal relations of the members of the diverse 'groups' that constitute the State apparatus, and finally that the relation between social classes and the State is itself reducible to inter-personal relations of 'individuals' composing social groups and 'individuals' composing the State apparatus.²

This wrong-headed approach was characterized, not by reference to objective structures, but by a focus on "the motivations of conduct of the individual actors."³

As an example of this failing, Poulantzas pointed to Miliband's treatment of the liberal "managerialist revolution" thesis, in which he took at face value the pluralists' focus on the motives of managers, and in response attempted to show that managers shared the motivations of the capitalist class. But for Poulantzas, the correct Marxist position was that the motivations of managers, and of capitalists themselves, were irrelevant; what mattered was "their place in production and their relationship to the ownership of the means of production."⁴

Likewise, Poulantzas said, Miliband focused on the human personnel composing the state and their ties to the capitalist class, attempting to demonstrate the state's motivation to serve the interests of capital. But

the *direct* participation of members of the capitalist class in the State apparatus and in the government, even where it exists, is not the important side of the matter. The relation between the bourgeois class and the State is an *objective relation*. This means that if the *function* of the State in a determinate social formation and the *interests* of the dominant class in this formation *coincide*, it is by reason of the system itself: the direct participation of members of the ruling class in the State apparatus is not the *cause* but the *effect*, and moreover a chance and contingent one, of this objective coincidence.

In order to establish this coincidence, it would have been necessary to make explicit the role of the State as a specific instance, a regional structure, of the social whole. Miliband, however, seems to reduce the role of the State to the conduct and 'behaviour' of the members of the State apparatus. If Miliband had first established that the State is precisely the *factor of cohesion of a social formation and the factor of reproduction of the conditions of production of a system* that itself determines the domination of one class over the others, he would have seen clearly that the participation, whether direct or indirect, of this class in government *in no way changes things*. Indeed in the case of the capitalist State, one can go further: it can be said that the capitalist State best serves the interests of the

¹Nicos Poulantzas, "The Problem of the Capitalist State," *New Left Review* 58 (Nov/Dec 1969).

²*Ibid.*, p. 70.

³*Ibid.*, p. 70.

⁴*Ibid.*, pp. 71-72.

capitalist class only when the members of this class do not participate directly in the State apparatus, that is to say when the *ruling class* is not the *politically governing class*.¹

Poulantzas was probably the original source of the pejorative use of “instrumentalists” for those who allegedly saw the state only as a tool directed by the capitalist class, referring to (while politely refusing to completely relegate Miliband to it) a “long Marxist tradition has considered that the State is only a simple tool or instrument manipulated at will by the ruling class.”² This approach, in his view, is problematic because

if one locates the relationship between the State and the ruling class in the social origin of the members of the State apparatus and their inter-personal relations with the members of this class, so that the bourgeoisie almost physically ‘corners’ the State apparatus, one cannot account for the relative autonomy of the State with respect to this class [Marx showed that] this State can only truly serve the ruling class in so far as it is relatively autonomous from the diverse fractions of this class, precisely in order to be able to organize the hegemony of the whole of this class.³

Although Poulantzas’ *Pouvoir politique et classes sociales* was published in 1968, it was the appearance of its 1973 translation marked its major impact on the English-speaking world ongoing debates on the class nature of the state.⁴ In it he started from the structural role of the state within a social formation.

... [T]he state has the particular function of constituting the factor of cohesion between the levels of a social formation. This is precisely the meaning of the Marxist conception of the state as a factor of ‘order’ or ‘organizational principle’ of a formation: not in the current sense of political order, but in the sense of the cohesion of the ensemble of the levels of a complex unity, and as the regulating factor of its global equilibrium as a system.⁵

This functional understanding of the state becomes clearer when we consider the historical formation as “characterized by an overlapping of several modes of production” (e.g. “capitalism” as a social formation containing the feudal mode of production in decline, the capitalist mode of production in its ascendancy, and some nascent elements of the socialist mode of production just emerging). This is especially true of transition periods in which legal forms have not yet adjusted to actual productive relations.⁶

Poulantzas cites Engels, from *The Origin of the Family, Private Property, and the State*, on “the relations of the state to the ‘ensemble of society’.”

It [the state] is a product of society at a certain stage of development; it is the admission that this society has become entangled in an insoluble contradiction with itself, that it has split into irreconcilable antagonisms which it is powerless to dispel. But in order that these antagonisms and classes with conflicting economic interests might not consume themselves and society in a fruitless struggle, it became necessary to have a power seemingly standing above society that would alleviate the conflict, and keep it within the bounds of “order”; and this power, arisen out of society but placing itself above it, and alienating itself more and more from it, is the state.⁷

The state’s “cohesive” role is to maintain the preconditions of the dominant mode of production. The state “prevents classes and ‘society’ from consuming themselves,” and “prevents the social formation from bursting apart.” It is “the organization for maintaining both the conditions of production and the conditions for the existence and functioning both of the unity of a mode of production and of a formation.”⁸ The state’s functions are political “to the extent that they aim primarily at the maintenance of the unity of a social formation based

¹*Ibid.*, p. 73.

²*Ibid.*, p. 74.

³*Ibid.*, p. 74.

⁴Poulantzas, *Political Power and Social Classes*. Translated by Timothy O’Hagan with the assistance of David McLellan, Anna de Casparis, and Brian Grogan (Verso, 1973).

⁵*Ibid.*, pp. 44-45.

⁶*Ibid.*, p. 47.

⁷*Ibid.*, p. 48.

⁸*Ibid.*, p. 50.

in the last analysis on political class domination.”¹ Rather than the state’s class character owing to the representation of the ruling class within the state, it derives from the state’s structural role in the system: “the various functions of the state constitute political functions through the global role of the state, which is the cohesive factor in a formation divided into classes; . . . these functions correspond *in this manner* to the political interests of the dominant class.”²

This means that the state can carry out capitalist systemic functions in a capitalist social formation, even when the specific character of the state itself is not capitalist. In the specific case of the Bismarckian state, for example:

The dominant [capitalist mode of production] *impregnates the whole system* and modifies the conditions under which the other subordinate modes of production function. In this case, despite its feudal structures, this feudal state can *borrow functions* analogous to those which belong to a capitalist state.... In particular, despite its feudal nature, it can function with the relative autonomy characteristic of the capitalist type of state: in the concrete case of Bismarckism, this makes possible the ‘revolution from above’ brought about by Bismarck.³

And Poulantzas’ analysis of the early modern absolute state parallels his understanding of Marx’s treatment of Bonapartism. The early modern absolute state functioned as a capitalist state when only some preconditions of capitalism were so far in place, and the bourgeoisie was nowhere near being the dominant political class. Capital, as a form of property, existed before the majority of the producing classes had been separated from their possession of the means of production—i.e., before the central precondition of capitalism and the defining feature of the capitalist mode of production. So far from being an instrument of the bourgeoisie, the absolute state functioned as a “capitalist state” for the bourgeoisie, long before either the establishment of the most important preconditions of the capitalist mode of production or the political hegemony of the bourgeoisie.

The function of the absolutist state is precisely not to operate within the limits fixed by an *already given* mode of production, *but to produce not-yet-given relations* of production (i.e. capitalist relations) and to put an end to feudal relations of production....⁴

The functions of the state during the period of creating the preconditions of capitalism (i.e. primary accumulation of capital)—“expropriating small landowners, financing, supplying funds for starting industrialization, attacking seigneurial power, breaking down commercial boundaries within the national boundaries, etc.”—“can only be performed by a state with a capitalist character.”⁵

Further developing this argument, Poulantzas again notes that the state apparatus need not be controlled by the politically dominant class. The class in charge of the state apparatus, or of the “commanding heights” of the state, is “the one from which the political, bureaucratic, military, etc., personnel is recruited . . .” In 19th century Britain, this class was the aristocratic oligarchy of the Whig Party. But the interests and principles it enforced, from its position in the state apparatus, were primarily those of the industrial bourgeoisie. It was the general development of the economy, of the bourgeois classes themselves, that forced the Whigs to represent these interests and principles.⁶

Regarding the “relative degree of autonomy” of the capitalist state from the immediate economic interests of the capitalist class, Poulantzas writes:

The notion of the general interest of the ‘people’, an ideological notion covering an institutional operation of the capitalist state, expresses a *real fact*: namely that this state, by its very structure, gives

¹*Ibid.*, p. 54.

²*Ibid.*, p. 54.

³*Ibid.*, p. 144.

⁴*Ibid.*, p. 157-161

⁵*Ibid.*, p. 166.

⁶*Ibid.*, pp. 249-250.

to the economic interests of certain dominated classes guarantees which may even be contrary to the short-term economic interests of the dominant classes, but which are compatible with their political interests and their hegemonic domination.

This brings us to a very simple conclusion but one which cannot be too often repeated. This guarantee given by the capitalist state to the economic interests of certain dominated classes cannot be seen *per se* as a restraint on the *political power* of the dominant classes. It is true that the *political and economic struggles of the dominated classes* impose this on the capitalist state. However, this simply shows that the state is not a class instrument, but rather the state of a society divided into classes.... But in making this guarantee, the state aims precisely at the disorganization of the dominated classes; ...it is the sometimes indispensable means of maintaining the dominant classes' hegemony.¹

Thus the political state's particular characteristic feature of representing the general interest of a national-popular ensemble is not simply a mendacious mystification, because within these limits it can effectively satisfy some of the economic interests of certain dominated classes....

In this state, political power is thus apparently founded on an *unstable equilibrium of compromise*.

(Although, of course, it does not reflect any form of political equality between the class forces involved.)²

The capitalist state's autonomy from the economic enables it to pursue a "social policy . . . , i.e., of economic sacrifices to the profit of certain dominated classes," and likewise to "cut into the dominant classes' economic power without ever threatening their political power." This social policy is "sketched in implicitly," in the work of Marx, by his treatment of English factory legislation in *Capital* vol. 1, and of the February Republic's pose as "republic surrounded by social institutions" in *Class Struggles in France*.³

This autonomy is necessary to serve the general political interest of capital because given free rein (quoting Marx from *Eighteenth Brumaire*), the bourgeoisie "every moment sacrificed its class interests, that is, its political interests, to the narrowest and most sordid private interests." It saw the protection of its general political interests, as a class, as "a disturbance of private business."⁴

The bourgeoisie on their own are hopelessly divided among themselves based on immediate and particular interests. The capitalist state forces the hegemonic class to compromise with the interests of other components of the power bloc or coalition, for the sake of its own long-term interest (despite its inability to put this long-term interest ahead of its immediate or particular ones).

The state may . . . present itself as the political guarantor of the interests of various classes and fractions of the power bloc against the hegemonic class or fraction, and it may sometimes play off those classes and fractions against the latter. But it does this in its function of political organizer of the political class or fraction and forces it to admit the sacrifices necessary for its hegemony.⁵

According to Poulantzas, the treatment of Bonapartism by Marx and Engels was key to their broader understanding of the state as such. It was an analysis of concrete events, but it was also more. They saw Bonapartism not merely as "a concrete form of the capitalist state, but as a constitutive theoretical characteristic of the very type of the capitalist state."⁶ The Bonapartist state's relative autonomy from dominant classes is a "concrete form" that "belongs to the capitalist type of state" as such, as a "constitutive feature."⁷

He quotes an 1866 letter from Engels to Marx in which he writes that "the bourgeoisie has not the stuff in it for ruling directly for itself . . ." As a result there is need for a "Bona-

¹*Ibid.*, pp. 190-191.

²*Ibid.*, p. 192.

³*Ibid.*, p. 193.

⁴*Ibid.*, p. 284.

⁵*Ibid.*, p. 301.

⁶*Ibid.*, p. 258.

⁷*Ibid.*, p. 261.

partist semi-dictatorship" which "upholds the big material interests of the bourgeoisie (even against the will of the bourgeoisie) but allows the bourgeoisie no part in the power of government."¹

The basic approach of the school was further fleshed out in a 1975 critique of Miliband and Domhoff by David Gold, Clarence Lo and Eric Wright—itself an outgrowth of discussion within James O'Connor's Kapitalistate group.² The authors contrasted the instrumentalist and structuralist approaches in general terms:

What we mean... by an "instrumentalist theory" of the state is a theory in which the ties between the ruling class and state are systematically examined, while the structural context within which those ties occur remains largely theoretically unorganized. A "structuralist theory," in a complementary way, systematically elaborates how state policy is determined by the contradictions and constraints of the capitalist system, while instrumental manipulation remains a secondary consideration.³

In the view they attribute to instrumentalists, the state serves capitalist interests "because it is controlled by the capitalist class." As an example of this view, they cite Miliband's statement that the capitalist class "is able, by virtue of the economic power thus conferred upon it [by ownership and control of the means of production], to use the state as its instrument for the domination of society."⁴

The research agenda associated with this perspective has focused primarily on studying the nature of the class which rules, the mechanisms which tie this class to the state, and the concrete relationships between state policies and class interests. The method consists of detailed studies of the sociology of the capitalist class, in the first instance simply to show that it exists; studies of the direct personal links between this class and the state apparatus, and links between the capitalist class and intermediary institutions (such as political parties, research organizations, and universities); specific examples of how government policy is shaped; and reinterpretations of episodes from the annals of history.⁵

This does not preclude differences in emphasis—or "levels of sophistication," as the authors put it. While G. William Domhoff focuses almost entirely on personal connections and the biographies of those in positions of power, they say, Miliband attempts

to situate the analysis of personal connections in a more structural context. While most of his analysis still centers on the patterns and consequences of personal and social ties between individuals occupying positions of power in different institutional spheres, Miliband stresses that even if these personal ties were weak or absent—as sometimes happens when social democratic parties come to power—the policies of the state would still be severely constrained by the economic structure in which it operates. Furthermore, he moves away from a voluntaristic version of instrumentalism by stressing the social processes which mold the ideological commitments of the "state elite."⁶ Nevertheless, in spite of these elements in Miliband's work, the systematic aspect of his theory of the state remains firmly instrumentalist. The functioning of the state is... fundamentally understood in terms of the instrumental exercise of power by people in strategic positions, either directly through the manipulation of state policies or indirectly through the exercise of pressure on the state.⁶

¹*Ibid.*, pp. 258-259.

²G. William Domhoff, *The Power Elite and the State: How Policy is Made in America* (New York: Aldine de Gruyter, 1990), p. 41. The actual term "structuralism" came from Kapitalistate analysis of a passage in O'Connor's *Fiscal Crisis of the State*:

But the President and his key aides must remain independent; they must interpret class (as opposed to particular economic) corporate interests and translate these interests into action, not only in terms of immediate economic and political needs, but also in terms of the relations between monopoly capital and competitive sector labor and capital. Monopoly capitalist class interests . . . are not the aggregate of the particular interest of this class but rather emerge within the state administration "unintentionally." In this important sense, the capitalist state is not an "instrument" but a "structure." *Ibid.*, p. 42

³David A. Gold, Clarence Y. H. Lo, and Erik Olin Wright, "Recent Developments in Marxist Theories of the Capitalist State, Part I," *Monthly Review* October 1975, p. 31.

⁴*Ibid.*, p. 32.

⁵*Ibid.*, pp. 32-33.

⁶*Ibid.*, pp. 33-34.

The instrumentalists, they write, have made significant contributions to the sociology of the ruling class, and have largely succeeded in countering pluralist assumptions with empirical evidence. But at the same time, they unconsciously continue to work from many of the same starting assumptions as pluralists.

The emphasis, especially in American power-structure research, has been on social and political groupings rather than classes defined by their relationship to the means of production. Furthermore, like most pluralists, instrumentalist writers tend to see social causes simply in term of the strategies and actions of individuals and groups. While in pluralist theory there are many such groups, all working for their interests and influencing the state, in instrumentalist theory there is only one overwhelmingly dominant group. But the logic of social causation remains the same. With rare exceptions, there is no systematic analysis of how the strategies and actions of ruling-class groups are limited by impersonal, structural causes.¹

Gold et al fault even the “more sophisticated” instrumentalists like Miliband for failing to account for instances—as in much of the New Deal—in which the state takes measures that are overwhelmingly unpopular among the business community.

Even when such reforms are ultimately co-optive, to treat all reforms as the result of an instrumentalist use of the state by capitalists is to deny the possibility of struggle over reform. There are also state policies which cannot easily be explained by direct corporate initiatives but which may come from within the state itself. These tend to speak to broad, rather than specific, capitalist interests. To explain these fully there is the need for a logic of the capitalist state, both in terms of its relations to civil society and in terms of its internal operations.²

To this they contrast the “fundamental thesis” of structuralism, which is “that the functions of the state are broadly determined by the structures of the society rather than by the people who occupy positions of state power.”

Therefore, the starting point of the structuralist analysis is generally an examination of the class structure in the society, particularly the contradictions rooted in the economy. Structuralists then analyze how the state attempts to neutralize or displace these various contradictions. The structuralist theory of the state thus attempts to unravel the functions the state must perform in order to reproduce capitalist society as a whole. These functions determine the specific policies and organization of the state.³

In his 1977 article “The Ruling Class Does Not Rule,” Fred Block contrasted the instrumentalist perspective (which he identified as “the traditionalist Marxist explanation” for capitalist rationality) to his own structural explanation. The former approach

is to root it in the consciousness of some sector of the ruling class. In this light, capitalist reform reflects the conscious will and understanding of some sector of the capitalist class that has grasped the magnitude of the problem and proposes a set of solutions. The alternative framework being proposed here suggests that the capacity of capitalism to rationalize itself is the outcome of a conflict among three sets of agents—the capitalist class, the managers of the state apparatus, and the working class. Rationalization occurs “behind the backs” of each set of actors so that rationality cannot be seen as a function of the consciousness of one particular group.⁴

Block repudiates the idea of a class-conscious ruling class, proposing instead “a division of labor between those who accumulate capital and those who manage the state apparatus.”

Those who accumulate capital are conscious of their interests as capitalists, but, in general, they are not conscious of what is necessary to reproduce the social order in changing circumstances. Those who manage the state apparatus, however, are forced to concern themselves to a greater degree with

¹*Ibid.*, pp. 34-35.

²*Ibid.*, p. 35.

³*Ibid.*, p. 36.

⁴Fred Block, “The Ruling Class Does Not Rule: Notes on the Marxist Theory of the State,” *Socialist Revolution* 33 (May/June 1977), pp. 7-8.

the reproduction of the social order because their continued power rests on the maintenance of political and economic order.¹

Despite rejecting the idea of ruling class consciousness, Block also repudiates those reformists who infer from this lack of class consciousness that the state is not inherently capitalist. Neither instrumentalism nor reformism “recognizes the structural mechanisms that make the state serve capitalist ends regardless of whether capitalists intervene directly and consciously.”²

Despite the fact that direct capitalist control of the state is not necessary for its functioning as a capitalist state, it is nevertheless true that capitalists do exert influence on the state.

Even though the members of the ruling class lack class consciousness, they are acutely aware of their immediate interests as capitalists and of the impact of the state on those interests. Capitalists, individually and in groups, apply pressure on the state for certain kinds of lucrative contracts, for state spending in certain areas, for legislative action in their favor, for tax relief, for more effective action to control the labor force, and so on. Needless to say, the pursuit of these various interests does not add up to policies in the general interest of capital. Even in the area of control of the labor force, where the common interest among capitalists is strongest, the policies that the capitalists demand might not even be in their own long-term best interest. Nevertheless, capitalists attempt to assure responsiveness by the state through various means, including campaign contributions, lobbying activities, and favors to politicians and civil servants. While these techniques are primarily used for increasing the state’s receptivity to the special interests of particular capitalists or groups of capitalists, the overall effect of this proliferation of influence channels is to make those who run the state more likely to reject modes of thought and behavior that conflict with the logic of capitalism.

Besides lobbying and other forms of external pressure, capitalists influence the state through direct participation in the state policy apparatus.³

Even so, such direct influence on the state by capitalists, is of secondary importance, whose effect is limited largely to making it a bit harder for the state to act directly contrary to the interests of powerful groups of capitalists even when it is in the interest of capital.⁴

The structural effect of bourgeois cultural hegemony on the state, on the other hand, is much more significant.

The relevant aspect of cultural hegemony is the widespread acceptance of certain unwritten rules about what is and what is not legitimate state activity. While these rules change over time, a government that violates the unwritten rules of a particular period would stand to lose a good deal of its popular support. This acts as a powerful constraint in discouraging certain types of state action that might conflict with the interests of capital.⁵

More broadly, the structural explanation for the state’s avoidance of anti-capitalist policies lies with

the fact that those who manage the state apparatus—regardless of their own political ideology—are dependent on the maintenance of some reasonable level of economic activity. This is true for two reasons. First, the capacity of the state to finance itself through taxation or borrowing depends on the state of the economy. If economic activity is in decline, the state will have difficulty maintaining its revenues at an adequate level. Second, public support for a regime will decline sharply if the regime presides over a serious drop in the level of economic activity, with a parallel rise in unemployment and shortages of key goods. Such a drop in support increases the likelihood that the state managers will be removed from power one way or another. And even if the drop is not that dramatic, it will increase the challenges to the regime and decrease the regime’s political ability to take effective actions.

In a capitalist economy, the level of economic activity is largely determined by the private investment decisions of capitalists. This means that capitalists, in their collective role as investors, have

¹*Ibid.*, p. 10.

²*Ibid.*, p. 12.

³*Ibid.*, p. 13.

⁴*Ibid.*, p. 14.

⁵*Ibid.*, p. 14.

a veto over state policies in that their failure to invest at adequate levels can create major political problems for the state managers. This discourages state managers from taking actions that might seriously decrease the rate of investment. It also means that state managers have a direct interest in using their power to facilitate investment, since their own continued power rests on a healthy economy. There will be a tendency for state agencies to orient their various programs toward the goal of facilitating and encouraging private investment. In doing so, the state managers address the problem of investment from a broader perspective than that of the individual capitalist. This increases the likelihood that such policies will be in the general interest of capital.¹

We see these structural imperatives working to constrain reformist or radical governments when they come to power.

The dynamic of business confidence as a constraint on the managers of the state apparatus can be grasped by tracing out a scenario of what happens when left-of-center governments come to power through parliamentary means and attempt to push through major reforms. The scenario distills a number of twentieth-century experiences including that of Chile under Allende. From the moment that the Left wins the election, business confidence declines. The most important manifestation of this decline is an increase in speculation against the nation's currency. Reformist governments are always under suspicion that they will pursue inflationary policies; a high rate of inflation means that the international value of the nation's currency will fall. Speculators begin to discount the currency for the expected inflation as soon as possible.²

So far, Block has primarily discussed negative structural mechanisms that deter the state from pursuing anti-capitalist policies. The primary need, however, is for *positive* mechanisms to explain why the state acts in the general interests of capital and rationalizes capitalism.

To some extent the structural imperative to promote accumulation, for the state's own interest, explains such rationalization. It stands to reason that it will pursue general policies that promote investment and economic growth. However, this fails to explain how the state is able to pursue reforms that increase the rationality of the capitalist system when such reforms involve increasing direct state intervention in the economy in ways that contradict the bourgeois ideology and tend to undermine business confidence. How is it that the state steadily increased its involvement in the economy throughout most of the 20th century, in ways often strongly opposed by a majority of business interests?³

Block rejects the corporate liberal thesis that the state is able to pursue such rationalizing policies because of the existence of a segment of the capitalist ruling class that is more farsighted than the rest. Instead, he proposes class struggle as an explanatory mechanism.⁴

In its struggles to protect itself from the ravages of a market economy, the working class has played a key role in the steady expansion of the state's role in capitalist societies. Pressures from the working class have contributed to the expansion of the state's role in the regulation of the economy and in the provision of services. The working class has not been the only force behind the expansion of the state's role in these areas. Examples can be cited of capitalists who have supported an expansion of the state's role into a certain area either because of narrow self-interest—access to government contracts, or because government regulation would hamper competitors—or because of some far-sighted recognition of the need to co-opt the working class. However, the major impetus for the extension of the state's role has come from the working class and from the managers of the state apparatus, whose own powers expand with a growing state.

Once working-class pressures succeed in extending the state's role, another dynamic begins to work. Those who manage the state apparatus have an interest in using the state's resources to facilitate a smooth flow of investment. There will be a tendency to use the state's extended role for the same ends. The capacity of the state to impose greater rationality on capitalism is extended into new areas as a result of working-class pressures. Working-class pressures, for example, might lead to an expansion of educational resources available for the working class, but there is every likelihood that

¹*Ibid.*, p. 15.

²*Ibid.*, p. 17. Immanuel Wallerstein argues that socialism is impossible in a single country, because even a "socialist" country like the Soviet Union will be compelled by such mechanisms to function as part of the capitalist world system and be incorporated into its international division of labor.

³*Ibid.*, p. 20.

⁴*Ibid.*, pp. 20-21.

the content of the education will be geared to the needs of accumulation—the production of a docile work force at an appropriate level of skill. Or similarly, working-class pressures might force the government to intervene in the free market to produce higher levels of employment, but the government will use its expanded powers of intervention to aid the accumulation process more generally

In addition, while the state may adopt welfare measures or labor regulations in response to working class pressure, the actual form taken by such concessions is determined by the interests of the state managers in aiding capitalist accumulation. “

...[W]orking-class demands are rarely granted in their original form. Often, the more radical elements of the movement are repressed at the same time that concessions are made.”¹

If the state managers decide to respond to pressure with concessions, they are likely to shape their concessions in a manner that will least offend business confidence and will most expand their own power.²

Besides popular pressure, severe crises will sometimes create conditions in which the state can expand its economic role and undertake the kinds of large-scale rationalizations that are vetoed by business interests in more normal times.

...[T]here are certain periods—during wartime, major depressions, and periods of postwar reconstruction—in which the decline of business confidence as a veto on government policies doesn't work. These are the periods in which dramatic increases in the state's role have occurred.

In wars that require major mobilizations, business confidence loses its sting for several reasons. First, international business confidence becomes less important, since international capital flows tend to be placed under government control. Second, private investment becomes secondary to military production in maintaining high levels of economic activity. Third, in the general patriotic climate, it would be dangerous for the business community to disrupt the economy through negative actions. The result is that state managers have the opportunity to expand their own power with the unassailable justification that such actions are necessary for the war effort. Some of these wartime measures will be rolled back once peace returns, but some will become part of the landscape.

In serious depressions and postwar reconstruction periods, the dynamics are somewhat different. Low levels of economic activity mean that the threat of declining business confidence loses its power, at the same time that popular demands for economic revival are strong. In such periods, the state managers can pay less attention to business opinion and can concentrate on responding to the popular pressure, while acting to expand their own power. However, there are still constraints on the state managers. Their continued rule depends on their capacity to revive the economy. As government actions prove effective in reducing unemployment, redistributing income, or expanding output, the political balance shifts. Pressure from below is likely to diminish; business confidence reemerges as a force once economic recovery begins. In short, successful reforms will tilt the balance of power back to a point where capitalists regain their veto over extensions of the state's role.³

The structuralist critiques of “instrumentalism” are, of course, contested by adherents of the latter. Domhoff marshalls a considerable amount of effort in *The Power Elite and the State* in characterizing them as strawmen.

We've already seen, in the previous chapter, Domhoff's recognition of the extent to which the capitalist elite faction in control of the state accepted, under intense pressure from below, policy options that were not only clearly suboptimal but outright objectionable to a majority of the capitalist class.

And he denies ever having asserted in *Who Rules America?* “that it was ‘necessary’ for members of the upper class or corporate community to be part of the state in order to rule. Instead, I made the assumption that ‘overrepresentation’ in the ‘key institutions and decision-making groups’ is ‘evidence’ that an upper class is powerful.”⁴

No less an “instrumentalist” than C. Wright Mills anticipated the structural imperatives theorized by Poulantzas *et al*, noting that in the old days of dispersed economic power, “polit-

¹*Ibid.*, pp. 22-23.

²*Ibid.*, p. 24.

³*Ibid.*, pp. 24-25.

⁴Domhoff, *The Power Elite and the State*, p. 19.

ical and military authorities" could afford to let large numbers of enterprises fail in periodic panics. "But now, given political expectations and military commitments, can they afford to allow key units of the private corporate economy to break down in slump?"¹

For that matter the arch-instrumentalist Miliband himself, as we have seen, acknowledged the valuable insights of both the structuralists and state autonomists.

But leaving such disputes aside, structuralist theories in their own right possess a great deal of validity. Indeed it's not too much to say that much of the distinction between "instrumentalism" and "structuralism" is semantic, imposed on what is more appropriately understood as a body of largely complementary analysis.

The central structuralist insight is that political leadership is not necessarily subject to corporate control, in the crude sense of either coming from a corporate career background or being bought by corporate campaign money. Rather, the very structure of the corporate economy and the situations it creates compel the leadership to promote corporate interests out of "objective necessity."

In this regard it falls into Michael Mann's category of theories centered on a "logic of industrialism" driving the expansion of the welfare and regulatory state.

Weber also had a systemic theory of state growth: It was part of a single "rationalization process" sweeping for centuries throughout the West. He feared the "overtowering" power of a bureaucratic state of ever increasing size and scope, and he referred briefly to three distinct causes of this state growth: the linked needs of a standing army, uniform law and taxation, the needs of capitalist enterprises for uniform technical and predictable services, and the pressure exerted by citizenship for uniformity of treatment.²

A logic of industrialism helped generate the first movements toward social citizenship. It was especially strong in public health provisions throughout this period. Thereafter it continued to influence education The main cause of such universal expansion was elite consensus over the needs of a modern society, supplemented in the case of primary education with pressure coming from labor, liberal, and feminist reformers plus Protestants or anticlericals, according to the different ideological configurations in each country

Underlying the growth of all social-citizen rights was increasing recognition that the masses were onstage and had to be placated.³

And there is no reason to see the "instrumentalist" approach as mutually exclusive with structuralism. Whether or not class representation in the personnel of the state is *necessary* for the state to promote capitalist interests, there is good reason to think capitalists seeing it as increasing the state's immediate responsiveness to capitalist interests, and that it adds to the degree and directness of their control. As Domhoff argues:

Given what is at stake . . . , it seems unlikely that any upper class has been content to leave these tasks [government's "basic functions of economic accumulation and political legitimization"] to state managers acting in terms of the imperatives of the capitalist system. If people want to be sure that individuals they know and trust are in the positions with a wide latitude of decision-making discretion within the corporation, as the work of organizational sociologists suggests, then it is likely this would be even more the case with government.⁴

Citing the work of Nancy DiTomaso, he argues that the rotation of personnel reduces uncertainty and increases predictability of the state's actions, from the standpoint of corporate capital. Organizations typically attempt to minimize discretion, reducing as many tasks

¹C. Wright Mills, *The Power Elite*. With a new afterword by Alan Wolfe (Oxford and New York: Oxford University Press, 1956, 2000), p. 8.

²Mann. *The Sources of Social Power, Volume 2: The Rise of Classes and Nation-States, 1760-1914* (Cambridge, New York, Melbourne, Madrid, Cape Town, Singapore, Sao Paulo: Cambridge University Press, 1993), p. 359.

³Mann, *The Sources of Social Power, Volume 3: Global Empires and Revolution, 1890-1945* (Cambridge, New York, Melbourne, Madrid, Cape Town, Singapore, Sao Paulo: Cambridge University Press, 2012), pp. 312-313.

⁴Domhoff, *Who Rules America Now?* (Prospect Heights, IL: Waveland Press, 1983), p. 111.

and decisions as possible to routinized “best practices” or “standard operating procedures.” But some jobs entail functions that are not amenable to such routinization: namely, those that involve allocating resources, dealing with uncertain future situations, and dealing with parties outside the organization. Since those engaged in such tasks—which fall mostly to those in leadership—possess a great deal of discretion to do harm, organizations attempt to minimize uncertainty “by selecting persons for such positions who are thought to have internalized the same values as the owners.” This is accomplished, among other ways, by a focus on staffing the organization with agents who come from the same background as the principals.¹

Domhoff generalizes this observation and applies the principle to organizations’ equal need to minimize *outside* uncertainty, or uncertainty in the larger society and political environment.

I would like to generalize this analysis from organizational theory and call the whole package “the argument from uncertainty.” It can be brought to bear on the state through another finding of organizational theory, namely, that organizations attempt to control any conditions in the “organizational environment” that breed uncertainty within the organization. More specifically, American corporations’ probably would claim that one of the major “uncertainties” in their environment is governmental policy. Thus, organizational theory would expect that corporations are going to attempt to reduce this uncertainty as much as possible by trying to place people they can trust, that is, “people of their own kind,” in governmental positions. From an organizational point of view, then, it most decidedly matters who governs the state.

But there is another way corporations can reduce their uncertainty about government. They can hire former government officials to predict and interpret governmental policies, and to be the corporate liaisons with the government. If this argument is correct, we should expect to find a “revolving door” between corporations and government, that is, a “two-way street,” and of course that is exactly what has been found for the “military-industrial complex” in particular and the government in general.

We can go one step further with this argument. The American state itself can be conceptualized as a network of organizations existing in a very uncertain environment. Much of that uncertainty is created by the constant attacks on these government organizations by corporate leaders and antigovernment ideologues. Thus..., we can expect to find government entities, including newly elected administrations, seeking out coalition partners to stabilize their environment.²

Another reason the actual personnel makeup of the state may matter is that the state does not face uniform and unambiguous incentives to serve some generic “capitalist interest,” and its policy-making functionaries are not philosopher-kings. “Capital” is not a monolith, but a number of overlapping and sometimes cooperating class coalitions that have some interests in common and some at odds. And there is not a single slate of policy responses that will effectively serve the interests of “capital” as a whole. The policies required to serve the various segments of capital are often in conflict with each other, and the proper balance between them is by no means self-evident. The structural imperatives by which the state serves the needs of capital are not quite so finely calibrated as to dictate the specifics of this balance.

Hence, some sort of discovery mechanism is required, which entails both informational input and a negotiation process. And representation of the segments of capital, industries, etc., in question within the policy-making circles of the state is a fairly intuitive response to this requirement. Closely overlapping with the rationale for staffing the state with capitalists to prevent uncertainty, the various segments of capital have an interest in being represented within the policy process as a form of insurance against the state stepping needlessly on their particular toes in the course of its service to the general structural imperatives of capitalism.

Beyond all this, there is considerable empirical evidence that short-term, or sectional, interests within capital *do* influence state policy even when it is *against* the long-term, collective

¹Domhoff, *The Power Elite and the State*, pp. 20-21. Nancy DiTomaso’s arguments come from “Organizational Analysis and Power Structure Research,” in Domhoff, ed., *Power Structure Research* (Beverly Hills: Sage Publications, 1980).

²Domhoff, *The Power Elite and the State*, p. 21.

interest of the capitalist economy. We've seen this in Block's discussion of business confidence as a constraint on policies to rationalize capitalism.

And the structure of the state—its bureaucratic ossification, combined with its reliance on industry for much of the information and expertise upon which to base its policy—also limits its genuine autonomy.

Interestingly, Gold et al admit that pure structuralism is unsatisfactory as an explanatory mechanism, and propose some degree of fusion with other approaches.

It has become apparent to many Marxists that the instrumentalist perspective is simply inadequate as a guide to understanding the state in advanced capitalist society. While many policies are the outcome of control by specific capitalists, and some government agencies appear to be the tools of specific capitalist interests, it is impossible to see how the complex apparatus of the state can be understood adequately in a model which sees policy outcomes primarily in terms of class-conscious manipulations by the ruling class. But the structuralist alternative is also inadequate. For, while it does situate the formation of policy in the context of the functioning of the capitalist system as a whole, it generally does not explain the social mechanisms which actually generate a class policy that is compatible with the needs of the system.¹

They critique Poulantzas' development of structuralism in *Political Power and Social Classes* and offer their suggestions for improving on it. They rightly (in my opinion) fault him for the

absence of any real discussion of how social mechanisms regulate these various functional relationships seriously weakens Poulantzas's structural analysis. Although there is a fairly rich discussion of how the relative autonomy of the state protects the class interests of the dominant class, and of the functional necessity for such a state structure, there is no explanation of the social mechanisms which guarantee that the state will in fact function in this way.²

One possible mechanism might be class consciousness, with the implication "that class-conscious capitalists guide the development of state structures which accomplish the needed functional patterns."

Structuralist writers, however, have almost completely rejected the usefulness of consciousness as an explanation for any aspect of social structure. They insist that class consciousness is a catch-all residual category used by Marxists to "explain" things that more systematic theory fails to resolve. Consciousness, the structuralists argue, explains nothing; the point is to explain consciousness through an analysis of the dynamics of society.³

A different possibility, one more widely adopted, is the structural economic imperatives confronting the state. The problem is the tendency of those taking this route to treat the economy as the only imperative conditioning state action, and to treat the state as lacking in autonomy.

Much Marxian political economy has at least implicitly held the view that state policies respond almost exclusively to economic contradictions. This view of the state might be termed "economic structuralism." Other state activities and non-economic influences on economic policy are treated secondarily, or not at all. The state is perceived as having little or no autonomy, and its non-economic activities are seen as directly derived from the logic of accumulation.⁴

They cite Baran and Sweezy's 1966 work *Monopoly Capital* as a leading example of economic structuralism, with the state's actions being driven in large part by the problem of disposing of the economic surplus.⁵

¹Gold et al, "Recent Developments in Theories of the Capitalist State, Part II," *Monthly Review*, November 1975, p. 36.

²Gold et al, "Recent Developments in Theories of the Capitalist State, Part I," p. 38.

³Ibid., pp. 38-39.

⁴Ibid., p. 39.

⁵Ibid., p. 39.

They also point to the work of Claus Offe of the Kapitalistate group as an attempt to synthesize the useful elements of structuralism and instrumentalism in providing an actual causal mechanism for explaining why the state serves the interests of capital.

His major theoretical work on the state begins with the question: How can we prove the class character of the capitalist state? How can we demonstrate that it is a *capitalist state* and not merely a *state in capitalist society*? From the start he rejects both the instrumentalist and structuralist approaches to this problem. Both of these... only examine the *external* determination of state activity: the instrumentalists explain the state in terms of the external manipulation of the state apparatus by the ruling class; the structuralists explain the state by the external constraints which limit the scope of possible state activities. But in neither case do they provide a theory of the mechanisms within the state which guarantee its class character. This is the theoretical problem which Offe attempts to solve.

The key concept Offe introduces to understand the internal structure of the state is "selective mechanisms." These constitute a wide range of institutional mechanisms within the state apparatus which (under ideal conditions) serve three crucial functions: (1) *negative selection*: the selective mechanisms systematically exclude anti-capitalist interests from state activity; (2) *positive selection*: from the range of remaining alternatives, the policy which is in the interests of capital as a whole is selected over policies serving the parochial interests of specific capitalist groups¹

Negative selection includes four general categories of filters in a nested hierarchy, with each screening out alternatives not eliminated by the previous level of filtration. Structural filters are "the broad limits of possible state actions defined by the overall structure of political institutions" (e.g. "constitutional guarantees of private property which exclude a wide range of anti-capitalist policies from entering the agenda of state activity"). Out of those alternatives not excluded by institutional structure, the ideological filters in turn "determine which are actually articulated and perceived as problems to be solved." Process filters, or decision-making rules, privilege some interests to the advantage of others in negotiating the policy apparatus. And when all these fail, "the repressive apparatus of the state excludes given alternatives through direct coercion."²

The state's positive mechanisms for choosing the policies best suited to capitalist needs, on the other hand, include "allocative policies" and "productive policies."

In both of these the state plays an important role in providing the necessary conditions for continued capital accumulation. In the former the state merely coordinates and regulates the allocation of resources that have already been produced; in the latter the state becomes directly involved in the production of goods and services required for the accumulation process.³

However, structural contradictions within the state result in suboptimal performance of these functions, and the growing role of the state in guaranteeing the prerequisites of capital accumulation exacerbates the contradictions.

In the case of purely allocative policies, the state does not need to adopt a truly optimal policy from the point of view of capital as a whole. Most allocative policies have, therefore, been formulated by capitalist interest-groups which influence the state through the mechanisms described by the instrumentalist writers. As monopoly capitalism develops, however, the contradictions in the accumulation process push the state into direct involvement in production. As the state directly produces more and more of the conditions of accumulation, it becomes increasingly important that the state's policies be rational from the point of view of capital as a whole. Such policies cannot, therefore, be left to the give-and-take of competing capitalist interests, but must be planned to serve the collective capitalist interest.

Offe argues that the capitalist state is fundamentally incapable of such planning. Whereas the criterion for capitalist rationality is unambiguous for the individual capitalist—profit maximization through the production and sale of commodities—there can be no equally unambiguous criteria for the capitalist state. Since the state does not produce for the market, its activities cannot be governed

¹Gold *et al*, "Recent Developments in Theories of the Capitalist State, Part II," pp. 37-38.

²*Ibid.*, p. 38.

³*Ibid.*, p. 39.

by the logic of commodity production. The rationality of state production must therefore be defined in terms of production for use rather than production for exchange.

The crucial political question is, therefore, what kinds of use-value criteria determine state production. Offe shows that many of the structures which are important in negative selection (such as rigid bureaucratic procedures and constitutional and ideological defenses of private property) are obstacles to the development of selective mechanisms which can guarantee that state production will serve the general interests of capital. The state's attempts to overcome these obstacles weaken the negative selective mechanisms and increase the possibilities of anti-capitalist political forces affecting state policies. There is thus an intensifying contradiction between the state's changing role in the accumulation process, which requires rational state involvement in production, and the internal structures of the state which determine its class nature as a capitalist state.¹

In their concluding remarks on the desired synthesis between instrumentalism and structuralism, Gold *et al* note that the capitalist state

must be conceived both as a structure constrained by the logic of the society within which it functions and as an organization manipulated behind the scenes by the ruling class and its representatives. The extent to which actual state policies can be explained through structural or instrumental processes is historically contingent. There are periods in which the state can be reasonably understood as a self-reproducing structure which functions largely independently of any external manipulation, and other times when it is best viewed as a simple tool in the hands of the ruling class. Certain parts of the state apparatus may be highly manipulated by specific capitalist interests while other parts may have much more structural autonomy. But in no situation can state activity be completely reduced to either structural or instrumental causation. The state is always relatively autonomous: it is neither completely autonomous (i.e., free from active control by the capitalist class) nor simply manipulated by members of the ruling class (i.e., free from any structural constraints).²

¹*Ibid.*, pp. 40-41.

²*Ibid.*, p. 46.

Theory of the State: State Autonomy

Theda Skocpol is the leading representative of the state autonomy school. Although her 1979 book *States and Social Revolutions* was largely taken up with case studies considerably outside the scope of this book—namely state-building processes in revolutionary regimes, as opposed to our focus on developed states primarily of a formally representative nature—her first chapter is an excellent formulation of state autonomy as a theory.

She states, as one of her basic principles of analysis, that “it is essential to conceive of states as administrative and coercive organizations—organizations that are potentially autonomous from (though of course conditioned by) socioeconomic interests and structures.”¹ In place of what she considers a class-reductionist view of the international state-system (i.e. that of Immanuel Wallerstein), Skocpol posits that

nation-states are, more fundamentally, organizations geared to maintain control of home territories and populations and to undertake actual or potential military competition with other states in the international system. Throughout modern world history, it represents an analytically autonomous level of transnational reality—interdependent in its structure and dynamics with world capitalism, but not reducible to it. The militarily relevant strengths and international advantages (or disadvantages) of states are not entirely explicable in terms of their domestic economies or international economic positions. Such factors as state administrative efficiency, political capacities for mass mobilization, and international geographical position are also relevant. In addition, the will and capacity of states to undertake national economic transformations (which may also have international ramifications) are influenced by their military situations and their preexisting, militarily relevant administrative and political capacities.²

Most analysis either treats political structures as reducible “(at least ‘in the last instance’) to socioeconomic forces and conflicts,” or views the state as “*an arena* in which conflicts over basic social and economic interests are fought out.”³ Hence such analysis essentially rules out “the possibility that fundamental conflicts of interest might arise between the existing dominant class or set of groups, on the one hand, and the state rulers on the other,” or that the state might be “*an organization-for-itself*.”⁴

More recent analysis by structural Marxists, however—see the previous chapter—has proposed that the state must have a “relative degree of autonomy” from the dominant classes in order to promote the capitalist mode of production most effectively. And some of it has even “seemed on the verge of asserting that states are potentially autonomous not only over against dominant classes but also vis-a-vis entire class structures or modes of production.” But so far, Skocpol observes, it has not crossed that line.⁵

¹Theda Skocpol, *States and Social Revolutions: A Comparative Analysis of France, Russia, and China* (Cambridge, New York, etc.: Cambridge University Press, 1979), p. 14.

²*Ibid.*, p. 22.

³*Ibid.*, p. 25.

⁴*Ibid.*, p. 27.

⁵*Ibid.*, p. 27.

Skocpol explicitly crosses it, and proposes what she calls a “state-centered analysis” that “take[s] the state seriously as a macro-structure.”

The state properly conceived is no mere arena in which socioeconomic struggles are fought out. It is, rather, a set of administrative, policing, and military organizations headed, and more or less well coordinated by, an executive authority. Any state first and fundamentally extracts resources from society and deploys these to create and support coercive and administrative organizations. Of course, these basic state organizations are built up and must operate within the context of class-divided socioeconomic relations, as well as within the context of national and international economic dynamics. Moreover, coercive and administrative organizations are only parts of overall political systems. These systems also may contain institutions through which social interests are represented in state policymaking as well as institutions through which nonstate actors are mobilized to participate in policy implementation. Nevertheless, the administrative and coercive organizations are the basis of state power as such.

Where they exist, these fundamental state organizations are at least potentially autonomous from direct dominant-class control. The extent to which they *actually* are autonomous, and to what effect, varies from case to case....

State organizations necessarily compete to some extent with the dominant class(es) in appropriating resources from the economy and society. And the objectives to which the resources, once appropriated, are devoted may very well be at variance with existing dominant-class interests. Resources may be used to strengthen the bulk and autonomy of the state itself—something necessarily threatening to the dominant class unless the greater state power is indispensably needed and actually used to support dominant-class interests. But the use of state power to support dominant class interests is not inevitable. Indeed, attempts of state rulers merely to perform the state’s “own” functions may create conflicts of interest with the dominant class. The state normally performs two basic sets of tasks: It maintains order, and it competes with other actual or potential states. As Marxists have pointed out, states usually do function to preserve existing economic and class structures, for that is normally the smoothest way to enforce order. Nevertheless, the state has its own distinct interests vis-a-vis subordinate classes. Although both the state and the dominant class(es) share a broad interest in keeping the subordinate classes in place in society and at work in the existing economy, the state’s own fundamental interest in maintaining sheer physical order and political peace may lead it—especially in periods of crisis—to enforce concessions to subordinate-class demands. These concessions may be at the expense of the interests of the dominant class, but not contrary to the state’s own interests in controlling the population and collecting taxes and military recruits.

Moreover, we should not forget that states also always exist in determinant geopolitical environments, in interaction with other actual or potential states. An existing economy and class structure condition and influence a given state structure and the activities of the rulers. So, too, do geopolitical environments create tasks and opportunities for states and place limits on their capacities to cope with either external or internal tasks or crises.... Indeed, a state’s involvement in an international network of states is a basis for potential autonomy of action over and against groups and economic arrangements within its jurisdiction—even including the dominant class and existing relations of production. For international military pressures and opportunities can prompt state rulers to attempt policies that conflict with, and even in extreme instances contradict, the fundamental interests of a dominant class. State rulers may, for example, undertake military adventures abroad that drain resources from economic development at home, or that have the immediate or ultimate effect of undermining the position of dominant socioeconomic interests. And, to give a different example, rulers may respond to foreign military competition or threats of conquest by attempting to impose fundamental socioeconomic reforms or by trying to reorient the course of national economic development through state intervention.¹

Of course these examples of ostensible conflict of interest—forcing concessions to subordinate classes for the sake of stability, or absorbing economic resources to promote foreign policy goals against other states—all arguably fall within the range of possibilities envisioned by structural Marxism for serving the long-term general interests of the mode of production. Revolution or foreign conquest is, after all, a greater threat to the mode of production than even significant tax increases or concessions to the working class.

But it’s still possible, in principle, to conceive of state action to promote its own autonomous interest that’s *not* compatible with the interests of capital. It’s possible, likewise, to

¹*Ibid.*, pp. 29-31.

conceive of a situation in which the primary class interest served by the state is that of the state apparatus itself. We see examples of this in classifications of the USSR as “state capitalist” by Rosa Luxemburg and others and as “bureaucratic collectivist” by the Schactmanites, and by Immanuel Wallerstein’s speculation on postcapitalist systems of class domination masquerading as socialist. Whether such a situation has actually existed in any particular case is a matter for empirical investigation.

As she sums it up, Skocpol’s position is “organizational” and “realist.” It assumes that states “are actual organizations controlling (or attempting to control) territories and people.”¹ And although the primary focus of the book’s analysis is revolutionary states in France, Russia, and China, she concludes with some possible applications for leftist movements in the contemporary West. After affirming “Marx’s call for working-class-based socialism,” she continues:

The fact remains, nevertheless, that classical Marxism failed to foresee or adequately explain the autonomous power... of states as administrative and coercive machineries embedded in a militarized international states system. Even if, especially if the working classes of the advanced societies should become politically self-conscious revolutionaries on national and international scales... they would still have to contend with the repressive capacities of existing states and with the possible threat of new forms of state domination emerging unforeseen and unintended from actual revolutionary transformations....

Let me close on a highly speculative note. If a social revolution were to transform an advanced industrial nation, it would, I can only suppose, have to take a very different form, and occur under quite different international conditions, from the great historical social revolutions. Because it seems highly unlikely that modern states could disintegrate as administrative-coercive organizations without destroying societies at the same time, a modern social revolution would probably have to flow gradually, not cataclysmically, out of a long series of “non-reformist reforms,” accomplished by mass-based political movements struggling to democratize every major institution from the economy to the political parties, army, and civil bureaucracy. Yet for true democratization to become possible within any given advanced industrial country, it would surely be necessary for democratizing movements to proceed roughly simultaneously in all advanced countries, with each movement making it a key objective to achieve steady progress toward disarmament and international peace. In order to deprive authoritarian state executives of their self-perpetuating *raison d’être*, there would need to be a dampening of the very military rivalries that helped to trigger and shape social revolutions in the past.

In short, the causes and outcomes of the great social revolutions of the past could hardly be recapitulated in future democratic-socialist revolutions in advanced industrial societies. Still, the past does have something to teach us about the future: It suggests that in future revolutions, as in those of the past, the realm of the state is likely to be central. As Franz Neumann once put it, “the struggle for political power—i. e., the struggle for the control of the coercive organizations, for police, justice, army, bureaucracy, and foreign policy—is the agent of historical progress.”²

Skocpol’s debates with so-called “instrumentalists,” as opposed to her analysis in *States and Social Revolutions*, focused primarily on the United States during the New Deal era. If the disputes between the instrumentalist and structuralist schools were—as we found in the previous chapter—less fundamental and more semantic than their partisans believed, the same is not true at all of the dispute between instrumentalism and state autonomy. So while I took a comparatively eirenic approach in stressing potential complementarities between instrumentalism and structuralism, in this chapter it is necessary to examine in detail the points of contention between the two sides.

The debates, which involved primarily Skocpol and G. William Domhoff as representatives of their respective parties, were launched by Skocpol’s 1980 article “Political Response to Capitalist Crisis.”³ Her thesis was that the various “neo-Marxist” schools “have so far given

¹*Ibid.*, p. 31.

²*Ibid.*, pp. 292-293.

³Theda Skocpol, “Political Response to Capitalist Crisis: Neo-Marxist Theories of the State and the Case of the New Deal,” *Politics and Society* 10:2 (1980).

insufficient weight to state and party organizations as independent determinants of political conflicts and outcomes.”¹

In her survey, she divided “neo-Marxists” into three broad categories: instrumentalists or “corporate liberals” (among whom she included Domhoff, as well as Miliband); the “political-functional” (exemplified by Poulantzas); and the “class struggle” (exemplified by Fred Block).²

The corporate liberal argument regarding the New Deal, she argued, was based entirely on selective use of evidence, cherry-picking only the facts that bore out the thesis. “When the theory is subjected to a rigorous, skeptical examination, corporate liberalism fails to explain even those aspects of the New Deal that seem most consonant with it.”³

To be sure there were facts that seemed to confirm the thesis—notably the corporate liberal orientation of FDR himself, and the involvement of business interests in venues like the Business Advisory Council in formulating the agenda.⁴ But:

If we hold corporate liberalism to more rigorous standards of validation, then the key questions become: Was there at work during the 1930s a self-conscious, disciplined capitalist class, or vanguard of major capitalists, that put forward functional strategies for recovery and stabilization and had the political power to implement them successfully? Were most corporate leaders (especially of big, strategic businesses) prepared to make concessions to labor? Did business opposition to the New Deal come primarily from small business? These questions go to the heart of the corporate-liberal claims; if they cannot be answered affirmatively, then the theory does not adequately explain the New Deal.⁵

By the 1930s, Skocpol argues, there was far less “class unity and discipline” among big business interests than there had been during the Progressive Era and the heyday of the National Civic Federation. This change was due, in part, to the decline of the House of Morgan as a force for unity.⁶

Business consciousness went little further than some degree of unity within individual industries, and the business agenda was limited by and large to government support for coordination between the major firms in each industry. This perspective reflected, to some extent, a focus on trade associations, and a nostalgia for the intra-industry coordination that prevailed under the War Industries Board during WWI.⁷ But the war mobilization in WWI was a poor example for industrial policy during a Depression, and the focus on that precedent was probably in part responsible for the failure of the NRA. So if anything, the NRA illustrates the lack of sufficient capitalist class consciousness to formulate a successful policy for combating the Depression.⁸

And the New Deal labor agenda, she argues, contradicts the corporate liberal thesis even more strongly.

The history of these policies shows that major industrial capitalists were not prepared to grant concessions to labor; instead undesired policies were forced upon them through the workings of a national political process that they could not fully control.

Even during the honeymoon between business and government at the start of the New Deal, major capitalists and their spokesmen were very reluctant to make concessions to labor, especially not any that would facilitate independent labor unions

¹*Ibid.*, p. 156.

²*Ibid.*, p. 158.

³*Ibid.*, pp. 162-163.

⁴*Ibid.*, p. 163.

⁵*Ibid.*, p. 163.

⁶*Ibid.*, p. 164.

⁷*Ibid.*, p. 164.

⁸*Ibid.*, p. 164.

Such good friends as labor had in the early New Deal were not from the ranks of major capitalists, but from within the government.¹

Indeed, “virtually all large-scale industrial employers unequivocally opposed the Wagner Act.”²

In short, “corporate liberalism greatly overestimates what U.S. capitalists were able and willing to do during the 1930s to engineer effective, congenial political responses to a capitalist economic crisis.”

Major New Deal measures were passed and implemented over the opposition of capitalists. Not only did capitalists fail to control the political process during the mid-1930s, they even lost their ability to veto major legislative enactments that touched directly upon their accustomed prerogatives. Corporate-liberal theory cannot explain why or how this could happen, just as it cannot account for the failures of the business-sponsored NRA.³

Next, she faults Poulantzas and the structuralists for their inability to explain failures of policy by the capitalist state, “especially not failures threatening to capitalists”—like, notably, the NRA.⁴ As one contributing factor, she singles out the administrative insufficiency of the American state. The American administrative state dated back only to the Progressive Era, before which it was a “stateless” state whose “basic governmental functions were divided between, on one hand, a potent judiciary branch and, on the other, a network of government offices staffed by locally rooted political parties according to their electoral fortunes and patronage requirements.”⁵ And even the administrative expansion that occurred during the Progressive Era and WWI was quite modest compared to the centuries-old administrative apparatuses of European states.

In this context, no centrally coordinated, executive-dominated national bureaucratic state could emerge, not even during World War I. Administrative expansion during that crisis was ad hoc and staffed by officials predominately recruited from business. Moreover, it was rolled back by Congress right after the end of the war. What remained were a few (increasingly uncontrollable) independent regulatory agencies and some restricted realms of federal administration with overlapping, cross-cutting lines of control and access to the executive and to Congress. During the 1920s, the Republicans governed within this system, making minimal efforts at institutional innovation and undertaking few federal interventions in the affairs of states, localities, or the private economy. When the Depression hit, therefore, the U.S. had (for a major industrial nation) a bureaucratically weak national government, and one in which existing administrative capacities were poorly coordinated.⁶

Against this background, “it becomes easy to see why the National Recovery Administration... had to be created from scratch and through the emergency recruitment of administrators from business backgrounds.”

There was no pre-existing federal bureaucracy with the manpower and expertise needed to supervise a sudden, massive effort to draw up hundreds of codes to regulate wages, working hours, prices and production practices in every U.S. industry from steel and automobiles to textiles and consumer services.⁷

As head of the Administration FDR appointed Gen. Hugh Johnson, with previous experience in the War Industries Board. Johnson staffed the agency with deputies drawn from business, frequently from the very industries with which they were to negotiate in drafting the codes, and the codes in turn were enforced by code authorities from the regulated indus-

¹*Ibid.*, pp. 166-167.

²*Ibid.*, p. 168.

³*Ibid.*, p. 169.

⁴*Ibid.*, p. 172.

⁵*Ibid.*, p. 174.

⁶*Ibid.*, p. 175.

⁷*Ibid.*, pp. 175-176.

tries. The NIRA failed precisely because the state lacked sufficient autonomy from business to promote capitalist interests effectively.¹

Government regulation without state autonomy soon left businessmen quarreling among themselves, with the winners unable to enforce their will except through cumbersome legal procedures, and with the losers able to bring counterleverage on the NRA through Congress and courts And the NRA codes, once captured by big business, simply functioned to freeze production, guarantee monopoly prices to dominant firms, and undermine general economic expansion.... [W]hen businessmen themselves became the state, government intervention could do little more than reinforce and freeze the economic status quo, while simultaneously politicizing conflicts among businessmen.²

The inadequate administrative capacity of the federal government also contributed to the failure of the NIRA because it was simply incapable of processing appropriated funds for things like the WPA and CCC quickly enough to achieve a sufficient stimulus to aggregate demand. Funds became bottlenecked because the administrative apparatus was incapable of putting them to use in a timely manner.³

So to sum up, the capacity of the capitalist state to automatically promote capitalist interests was not to be taken for granted.

The Wagner Act, in contrast, was not so much an example of a state taking advantage of its “limited degree of autonomy” to promote capitalist interests better than a state directly controlled by capitalists could, as of a state pursuing

an autonomous political effort, spearheaded by Wagner, to array state power against capitalist prerogatives and preferences. This kind of development does not seem to be envisaged by Poulantzas’s theory, which predicts that the capitalist state will invariably act to make the working classes less, not more, threatening to capitalists. Poulantzas’s perspective probably underestimates the potential democratic responsiveness of elected politicians in all capitalist democracies.⁴

How shall we draw the balance on Poulantzas’s political functionalism as an approach to explaining the New Deal? A very welcome aspect of this variant of neo-Marxism is its stress upon what politics and the state do “relatively autonomously” [sic] for the economy, for the capitalist class, and for (or to!) the noncapitalists, especially workers. But, unfortunately, what the theory offers with one hand it immediately takes back with the other, for it wants us to believe that the state and politics always do just what needs to be done to stabilize capitalist society and keep the economy going. If this were really true, then state structures, state interventions, and political conflicts would not really be worth studying in any detail, and politics as such would have no explanatory importance. All that we would need to know about the New Deal, or about the NIRA, would be that these were part of a flow of history that eventually worked out splendidly for U.S. capitalists.⁵

Skocpol also stresses the importance of electoral democracy and the partisan makeup of the legislature in promoting state agendas independent of the capitalist class.

If working-class pressure helped to produce the Wagner Act, it was pressure registered not only through strikes but also through the major Democratic electoral victories in Congress during the fall elections of 1934. This election strengthened liberals in the Congress and virtually eliminated right-wing Republicans. It came, moreover, just as business opposition to the New Deal was becoming bitter and vociferous. Half a year later, in June 1935, the Supreme Court declared Title I of the NIRA—the early New Deal’s major piece of recovery legislation—unconstitutional. It was at this extraordinary political conjuncture, one marked by rhetorical class conflict as well as by FDR’s last-minute conversion to the Wagner Act (both because of its Congressional support and because he saw it as a partial substitute for the NIRA), that the various politicians and labor-board administrators who had all along pushed for pro-union legislation were finally able to carry the day and put through Congress the single most important reform of the New Deal era.⁶

¹*Ibid.*, p. 176.

²*Ibid.*, pp. 176-177.

³*Ibid.*, p. 177.

⁴*Ibid.*, p. 180.

⁵*Ibid.*, p. 181.

⁶*Ibid.*, pp. 187-189.

More than either the instrumentalists or structuralists, Skocpol stresses the importance of “independent initiatives by liberal politicians within the Democratic party,” and of electoral pressures from working class voters. So the New Deal’s labor policies resulted in large part from an alliance between working class voters and autonomous segments within the state.¹

She also stresses the independent motivations of state agencies to expand their bureaucratic domains, and the alliances they developed with legislative and civil society actors. For example,

the social and labor reforms of the New Deal generated new nexes of political power and interest, binding liberal-Democratic politicians into symbiotic relationships with the welfare and relief agencies of the federal government and binding both urban-liberal politicians and trade-union leaders into a symbiotic relationship with another new organ of state power, the National Labor Relations Board (NLRB). NLRB administrators achieved their entire *raison d'être* through the spread of labor unions; they had a natural institutional bias (as well as a legal mandate) in favor of protecting all legitimate unions and union drives. Labor unions, in turn, certainly benefited from the protections thus afforded them.... Both labor unions and the NLRB depended upon liberal-Democratic support in Congress and within presidential administrations. And, of course, liberal-Democratic politicians benefited from monetary contributions and from the electoral mobilization of workers’ votes.²

In conclusion, Skocpol praises those theorists—primarily Poulantzas and Block—“who refer to the ‘relative autonomy of politics’ or who assign ‘state managers’ an independent explanatory role” for

moving toward an approach that can take seriously the state and parties as organizations of specifically political domination, organizations with their own structures, their own histories, and their own patterns of conflict and impact upon class relations and economic development.³

Even so, “so far, no self-declared neo-Marxist theory of the capitalist state has arrived at the point of taking state structures and party organizations *seriously enough*.”

Political outcomes are attributed to the abstract needs of the capitalist system, or to the will of the dominant capitalist class, or to the naked political side-effects of working-class struggles. It is often assumed that politics always works optimally for capitalism and capitalists, leaving only the “how” to be systematically explained. Even those neo-Marxists who have tried to incorporate state structures into their modes of explanation tend to do so only in functionalist or socioeconomically reductionist ways. What is more, almost all neo-Marxists theorize about “the capitalist state” in general, thus attempting to explain patterns of state intervention and political conflict in analytic terms directly derived from a model about the capitalist mode of production as such.

But capitalism in general has no politics, only (extremely flexible) outer limits for the kinds of supports for property ownership and controls of the labor force that it can tolerate. States and political parties within capitalism have cross-nationally and historically varying structures. These structures powerfully shape and limit state interventions in the economy, and they determine the ways in which class interests and conflicts get organized into (or out of) politics in a given time and place. More than this, state structures and party organizations have (to a very significant degree) independent histories. They are shaped and reshaped not simply in response to socioeconomic changes or dominant-class interests, nor as a direct side-effect of class struggles. Rather they are shaped and reshaped through the struggles of politicians among themselves, struggles that sometimes prompt politicians to mobilize social support or to act upon the society or economy in pursuit of political advantages in relation to other politicians. In short, states and parties have their own structures and histories, which in turn have their own impact upon society.⁴

Skocpol vs. the Instrumentalists on Social Security. Although her focus in “The political formation of the American welfare state in historical and comparative perspective” (co-authored with John Ikenberry) was primarily on the role of internal organizational issues of the state (party organization and patronage politics, the underdeveloped administrative ca-

¹*Ibid.*, p. 189.

²*Ibid.*, p. 192.

³*Ibid.*, pp. 199-200.

⁴*Ibid.*, p. 200.

pacity of the federal bureaucracy, etc.), and she did not directly address conflicts of interpretation with Domhoff and other “instrumentalists,” Skocpol did emphasize—at least in passing—the role of independent reformers and experts in formulating old age pension policies.

The article largely sets aside differences in theoretical interpretation. Indeed, the authors start out in language that’s at least potentially consistent with “instrumentalist” and structuralist analysis. In a number of countries from the 1880s through the 1920s, “social insurance and welfare policies”

were put into effect by sets of political executives, civil administrators, and political party leaders who were looking for innovative ways to use existing or readily extendable government administrative capacities to deal with (initially key segments of) the emerging industrial working class. Pioneering social insurance innovations, especially, were not simply responses to the socioeconomic dislocations of industrialism; nor were they straightforward concessions to demands by trade unions or working-class based parties. Rather they are best understood . . . as sophisticated efforts at anticipatory political incorporation of the industrial working class, coming earlier . . . in paternalist, monarchical-bureaucratic regimes that hoped to head off working-class radicalism, and coming slightly later . . . in gradually democratizing liberal parliamentary regimes, whose competing political parties hoped to mobilize new working-class voters into their existing political organizations and coalitions.¹

So far, we’re not seeing anything that couldn’t have been written by a structuralist, based on Marx’s and Engels’ analysis of Bonapartism. In fact it’s hard to think of any particular social welfare policy from the Progressive or New Deal era that would be consistent with Skocpol’s framing in terms of serving the interests of autonomous state managers, that would not be equally consistent with the structuralist thesis that the state serves the needs of the capitalist mode of production despite being autonomous from control by actual representatives of capital. At best, the case studies in this article—even stipulating that the composition of policy elites was as Skocpol and Ikenberry describe—demonstrate the superiority of the structuralist over the “instrumentalist” thesis. But the so-called “instrumentalist” thesis itself is, as we have seen, something of a strawman.² And the writers are far from showing any case in which the state pursued its own autonomous interests *rather than*, or *at the expense of*, the long-term needs of the capitalist mode of production.

Although Skocpol and Ikenberry in this article mostly pass over any explicit discussion of their theoretical disputes with the structuralists and instrumentalists, they devote considerable attention to the central state autonomist tenet that politicians, middle-class reformers, and intellectuals promoted the welfare state for independent reasons of their own.

The proponents of social insurance in the United States were of the educated and intellectually cosmopolitan upper-middle and upper social classes. Many were reform-oriented social scientists based in universities, especially Columbia, Johns Hopkins, and Wisconsin. Others worked (at least for a time) as actuaries in private corporations; as staff experts in state or federal governmental bureaus concerned with questions of industrial labor; or as executives or social work staffers in private philanthropic associations.³

The American Association for Labor Legislation—AALL—was the primary institutional base within which these groups engaged in research and political advocacy.⁴

¹Theda Skocpol and John Ikenberry, “The political formation of the American welfare state in historical and comparative perspective,” in Richard F. Thomasson, ed., *Comparative Social Research* 6 (Greenwich, CT: JAI Press, 1983), pp. 89–90.

²Both Domhoff and Kolko, it is true, have stressed direct capitalist influence on policy, and Domhoff in particular has gone so far as to attempt to demonstrate control of the state by a capitalist governing class. But neither has argued that such influence, or personal representation in the state, was necessary to ensure the state’s service to the needs of capitalism. And the “general interest” or “public good” envisioned by policy elites and reformists, as Skocpol and Ikenberry describe it, is entirely consistent with both Kolko’s conception of “political capitalism” and with the mindset of the Civic Federation in Weinstein’s account.

³Skocpol and Ikenberry, p. 99.

⁴*Ibid.*

Interestingly, despite their oppositional framing overall, Skocpol and Ikenberry continue to write about the formulation of social welfare policy and its objectives in a way that structuralists would find entirely acceptable. Their description of the class backgrounds of those who formulated social welfare policy is fully compatible with a structuralist view of the state acting in the general and long-term interests of capital despite the absence of capitalist representatives in the actual process of formulation. In addition, their description of social welfare legislation's purpose is compatible with a structuralist understanding of the interest of the capitalist mode of production.

... [T]he AALL's members understood themselves to be encouraging and publicizing rigorously scientific investigations in order to propose sound labor legislation. The proposed legislation would improve working and living conditions for *all* members of the working class (whether organized into trade unions or not), and at the same time further "the public interest" in social justice and economic efficiency for an orderly, regulated capitalist society.¹

Although the authors stress that these policy intellectuals did not see themselves as serving the interests of either capital or labor, but rather "a higher social good," their vision of the social good was essentially the same as that Weinstein ascribed to corporate liberals. This good was

best perceived *not* by capitalists (too often given to fierce competition and labor exploitation), union leaders (preoccupied with the survival and expansion of their own organizations), or socialists (far too obsessed with class conflict), but by properly reform-minded scientific experts²

The AALL's self-perception and ideology reflected "the emerging role of the professional expert: scientific, objective, and able to discern and help bring about policies in the interest of the whole society." The state, in this view, was "disinterested public authority capable of regulating capitalism and ameliorating its unnecessary inefficiencies and injustices"³ These cosmopolitan intellectuals were of the view that "the public interest" could be quickly recognized, embodied in reform laws, and implemented by experts free from the divisions and corruptions of 'politics.'⁴

In fact Skocpol's and Ikenberry's description here amounts to a classic restatement of the Progressive ideology as Weinstein and Kolko themselves framed it: a vision of a "rationalized" capitalism, in which capital is guaranteed reasonable profits and stability, labor is guaranteed reasonable working conditions and pay, and class conflict is transcended through the proper application of disinterested expertise. Indeed, there could be no better illustration of the unconscious absorption of the capitalist legitimizing ideology by these "independent intellectuals," than the idea that "policies in the interest of the whole society" could be achieved within the framework of a rationalized capitalism and compatible with the stability and profitability of capital. The same is true of the belief that capitalism's "inefficiencies and injustices" were "unnecessary" to its profitability.

So far, however much the authors want to interpret the facts in terms of state autonomy and independent intellectuals rather than a structuralist (or even an "instrumentalist") model of the class state, there's not much in the way of actual facts in dispute between the two approaches that I can see. There is nothing so far that Weinstein or Kolko would not stipulate to, and nothing that is incompatible with the corporate liberal ideology.

I should mention in passing that state autonomy for Skocpol refers not only to the autonomy of the state from class interests, but to its autonomy as a *realm* subject to internal laws that have little to do with class interest as such. These laws involve such factors as party organization, federalism, the administrative capacity of the state, and other legacy effects of a

¹*Ibid.*, pp. 99-100.

²*Ibid.*, p. 100.

³*Ibid.*, p. 100.

⁴*Ibid.*, p. 104.

structural or organizational character. Since I not only recognize such considerations as entirely valid, but also consider them largely irrelevant to our purposes in investigating the class nature of the state, I ignore them in favor of her areas of direct contention with the “instrumentalists.”

Domhoff takes considerable issue with Skocpol and Ikenberry on the class makeup and orientation of the AALL. Its founding members were indeed “economists, lawyers, and reformers who had been active in a variety of organizations . . . housed in the so-called Charities Building at Twenty-second Street and Fourth Avenue in New York.”¹ But it had a number of upper-class members, and was—as admitted by Skocpol and Ikenberry—financed by upper-class donors. And it strove to appeal to employers—in particular those represented in the National Civic Federation. It “drew many of its most visible business supporters from the NCF . . .”² Gerard Swope was a major figure who tied the AALL and Business Advisory Council together as a member of one and head of the other, and Theodore Roosevelt had close ties to the Charities Building organizations.³

It did indeed include “many middle-class liberals and even a few socialists,” but they tended to become inactive or drop out over the AALL’s business-oriented reformism.⁴ Most drafting of legislation was done by the economist members, but Domhoff rejects the implication of a divide between “expert” and “upper-class” members; many of the economists in fact came from upper-class backgrounds.⁵

As for the most complex economist figure in the AALL, John R. Commons, Domhoff argues, “it is wrong to think of a person like Commons as a toadie or lackey, but equally wrong to think of him as part of a ‘third force.’” Commons was both an independent thinker, and friendly with—and supported financially by—capitalists. In his own view, the proper role for intellectuals was to align themselves with those in power and advise the leaders who made the decisions.⁶

As Domhoff sums up his view of the AALL, in contrast to Skocpol’s, it formulated labor policies that were “compatible with basic business principles . . .”

As a first look at experts as a “third force,” . . . the AALL does not make an impressive case for Skocpol. It started out to appeal to business leaders, and it was successful in doing so with at least some of them. It became part of a general reform thrust that was not merely middle class.⁷

In “Did the Capitalists Shape Social Security?” (1985), Skocpol—writing with Edwin Amenta—challenged the corporate liberal position, arguing that the business role in shaping the Social Security Act was marginal and mostly oppositional: “by 1934-35 virtually all politically active business leaders and organizations strongly opposed national and state-level pensions and social insurance, along with other legislation perceived as “pro-labor” and/or likely to raise taxes.”⁸ Relatively few liberal-reformist business leaders stayed in contact with New Deal policymakers after mid-1934; not all came from big business, and virtually none came from “mass-employment industries.” And the welfare capitalists who *did* participate in formulating policies had at best an uneven effect on influencing the decisions of major actors like Frances Perkins. For example, while welfare capitalists tended to favor a single nation-

¹G. William Domhoff, *The Power Elite and the State: How Policy is Made in America* (New York: Aldine de Gruyter, 1990), p. 46.

²Domhoff, *The Power Elite and the State*, pp. 46-47.

³*Ibid.*, p. 52.

⁴*Ibid.*, p. 48.

⁵*Ibid.*, p. 48.

⁶*Ibid.*, p. 48.

⁷*Ibid.*, p. 49.

⁸Skocpol and Edwin Amenta, “Did the Capitalists Shape Social Security?” *American Sociological Review* 50 (1985), p. 572.

wide unemployment insurance program, FDR and Perkins preferred to leave the specifics to be worked out on a state-by-state basis.¹

Domhoff responds that most of the sources cited by Skocpol and Amenta do not bear out the claims based on them; either they do not primarily address Social Security at all, fail to make the blanket claims of business opposition to it she attributes to them, or make claims (e.g. the Business Advisory Council as a whole supported Social Security) that directly contradict her. Even sources that mention growing business opposition to the legislation do so in the context of an account of the business role in shaping it. In addition, Domhoff cites evidence that subsequently came to light regarding NAM support for Social Security.² His concluding assessment is that Skocpol conflated business opposition to New Deal labor and regulatory legislation in general with opposition to Social Security.³

In "A Brief Reply," Skocpol responded to Domhoff's criticisms⁴ by rejecting the "three analytical practices" of his that she found "untenable."

1) treating maverick individual liberal businessmen, such as those who remained on the Business Advisory Council in 1935, as "representatives" of the capitalist class or of entire sectors of business; (2) highlighting only the occasions on which such businessmen's preferences coincided with policy outcomes and ignoring the more frequent occasions when their preferences were ignored, overridden, or simply did not matter; and (3) treating all middle-class professionals as if they were witting or unwitting tools of business interests.⁵

In contrast to this third point, on which she placed special emphasis, she restated the importance of a "neo-Weberian or 'new class' perspective" for understanding the role of "experts" and "reformers" in policy-making.

Depending on the organizational anchorings and orientations of their entire careers, as well as on their intellectual outlooks, such experts sometimes act with organized labor and sometimes with organized business interests. Most often, however, they attempt to act as "third-force" mediators, downplaying the role of class interests and class struggles and promoting the expansion of state or other "public" capacities to regulate the economy and social relations. The experts from Wisconsin who played the controlling roles in formulating the Social Security Act fit this third-force pattern perfectly, for specific historical and structural reasons. In sharp contrast to Domhoff's view of these (and other) experts as tools of business interests, I underline their autonomous roots and orientations, growing out of an "academic-political complex" relatively unique to state-level governance in early twentieth-century Wisconsin. Consequently, I am much better able than Domhoff... to recognize the many occasions on which the formulators of social security overrode or ignored the preferences of even their most liberal business advisors.⁶

At the risk of repeating myself, the problem here is that, while Skocpol may or may not succeed in showing that capitalists are not a "governing class" in the sense that Domhoff argues (my own impression from the back-and-forth between them is that he shows that Skocpol's "third force mediators" were at least considerably more business-friendly than in her framing, if not quite as embedded in the corporate rich "governing class" as he would have it), she has very much failed to show the superiority of her own thesis to that of the structuralists. The possibility that policy elites, despite not coming from business backgrounds, and despite seeing themselves as "third force mediators," might nevertheless serve the systemic needs of capitalism is entirely consistent with structuralism.

¹*Ibid.*, p. 572.

²Domhoff, *The Power Elite and the State*, pp. 54-55.

³*Ibid.*, p. 56.

⁴Her rejoinder was to his extended critique in the same volume of *Politics and Society*, "Corporate-Liberal Theory and the Social Security Act: A Chapter in the Sociology of Knowledge"; I've relied instead on his essentially identical treatment of her work with Ikenberry and Amenta a few years later in the corresponding chapter of *The Power Elite and the State*, but her rejoinder applies equally well to both.

⁵Theda Skocpol, "A Brief Reply," *Politics and Society* 15 (1986/87), p. 331.

⁶*Ibid.*, pp. 331-332.

Skocpol vs. the Instrumentalists on the Wagner Act. In a 1984 article coauthored with Kenneth Finegold—"State, Party, and Industry: From Business Recovery to the Wagner Act in America's new Deal"—Skocpol begins by arguing that the NRA failed primarily because of the lack of "a national state with the capacity to carry out a complex program of industrial policy" under any circumstances short of the capitalists running the planning machinery.¹ The authors affirm, as we have already noted, that "state autonomy" refers not only to the state and its functionaries as actors, but to the autonomy of politics as a realm that includes things like state administrative capacity and internal conflict within political parties.²

The article also stresses the importance of newly elected urban liberal Congressmen, the beneficiaries of working class mobilization at the polls in the election of 1934, along with business's loss of power from the collapse of the NRA. In particular, the coauthors argue that "the failure of the NRA produced a split between Roosevelt and business" that made Wagner possible.³ They charge both the structuralists, and the instrumentalists or corporate liberals, with giving insufficient consideration to "the independent initiatives of state managers" and to class struggle.⁴

Finegold and Skocpol cite, with approval, Fred Block's argument that progressive capitalists are not a major factor in the triumph of major social reforms and expansions of government power, as per the corporate liberal thesis, because "capitalists are almost by definition too shortsighted initially to accept, let alone to promote, major reforms or extensions of state power." Instead, such reforms become possible in the event of major crises like war or depression because they weaken the normal constraints of business on state policy.

Thus state managers may find it both expedient and possible to grant concessions to the working class. Yet they will do so only in forms that simultaneously increase the power of the state itself. What is more, over the longer run, especially as economic recovery resumes, the state managers will do the best they can to shape the concessions won by the working class in order to make them function smoothly in support of capital accumulation and existing class relations. Thus it can come to pass that reforms and extensions of state power originally won through "pressure from below" can end up being "functional" for capitalism and accepted by many of the very capitalists who at first strongly resisted the changes.⁵

But aside from the complete minimization of the direct influence of business interests (contrary to the corporate liberal theorists), this scenario—even stipulating that it is an accurate description of events—is at most only a marginal hit against either the instrumentalists or structuralists. Domhoff has hardly denied that the state responds to pressure from below in ways that are less than ideal from the standpoint of capitalist interests; and the idea that the state attempts over time to coopt such concessions into a form most consistent with the long-term stability of capitalism is entirely consistent with both schools of thought.

Finegold and Skocpol differ little from the corporate liberals in their view of the NRA as a pro-business measure.⁶ And because of the national government's inadequate administrative capacity, the NRA was largely administered, and its regulatory codes drafted, by representatives of the regulated corporations themselves.⁷

But precisely because of this direct involvement, the NRA became a battleground of conflicting industrial interests with no independent power in its own right to promote a

¹Kenneth Finegold and Theda Skocpol, "State, Party, and Industry: From Business Recovery to the Wagner Act in America's New Deal," in Charles Bright and Susan Harding, eds., *Statemaking and Social Movements* (Ann Arbor: University of Michigan Press, 1984), pp. 159-160.

²*Ibid.*, p. 168.

³*Ibid.*, p. 165.

⁴*Ibid.*, p. 165.

⁵*Ibid.*, pp. 165-166.

⁶*Ibid.*, pp. 171-172.

⁷*Ibid.*, pp. 173-175.

common interest. There were “conflicts between large units and small ones,” according to historian Ellis Hawley, “integrated firms and nonintegrated, chain stores and independents, manufacturers and distributors, new industries and declining ones, and so on ad infinitum.”¹

The combined effects of the failure of the NRA, combined with the influx of liberal urban congressmen in the 1934 midterms, made possible the adoption of labor legislation “legalizing the enormous expansion of trade unions” in direct opposition to business interests.

First, in the mid-1930, urban liberals sympathetic to labor were at an apogee of influence in Congress and the Democratic party. But this alone could not have produced labor’s dramatic gains, had not the failure of the NRA . . . left industrial capitalists unusually impotent to influence New Deal policy-making.

This left business “in a position where they were unable even to veto a ‘one-sided’ labor measure . . . to which virtually all of them were adamantly and vociferously opposed.”² In the meantime, section 7a of the NIRA had resulted in the dramatic expansion of labor organization, further increasing the constituency in favor of such legislation.³

Nevertheless the co-authors deny that labor militancy was significant as a direct source of pressure. At the time Wagner passed, the major strike wave had died out, and did not resume until the Act was signed into law.⁴ It was the changing internal makeup of the Congressional Democratic caucus, coupled with the political weakening of business in the aftermath of the NRA’s failure—coupled with business disaffection from the New Deal that reduced its influence on FDR still further—that was decisive.⁵

The Wagner Act, as they summarize, “demonstrates that in at least some conjunctions of state and party—perhaps highly unusual ones”

— the mechanisms . . . by which capitalist influence normally constrains government policy making in liberal democracies, can fail to operate. In particular, the most potent weapon of private capitalists, their hegemony with respect to definitions of “what is good for the economy,” can be temporarily lost.⁶

In the course of their argument, Finegold and Skocpol make some pointed misreadings of the arguments they attribute to the “instrumentalists.” For example, the latter’s ostensible failure to “explain the timing” of the NIRA and Wagner Act. “If the NIRA reflected the dominant resources of business, why could not such a program be enacted earlier, under the administration of Herbert Hoover?” Despite being “unquestionably probusiness,” Hoover rejected the Swope Plan as a monstrous and historically unprecedented proposal for monopoly.⁷ But neither Miliband nor Domhoff framed the relationship between the capitalist class and the state in such a crudely cartoonish (instrumentalist?) way, or entirely denied agency and ideological motivation to state actors. This is especially true, given Domhoff’s stress on intra-capitalist conflict between corporate liberals and reactionaries.

In contrast to this caricature of “instrumentalism,” the authors call for an approach that, in addition to acknowledging the disproportionate influence of business interests on the state in a capitalist economy, “also pays attention to electorally mediated democratic influences that are attributable to the ongoing struggles among politicians for authoritative control over governmental organs of administration, coercion, and legislation.”⁸

Domhoff criticizes Finegold and Skocpol for focusing almost entirely on the labor policy of the New Deal, to the neglect of its antecedents. They emphasize the development of

¹*Ibid.*, p. 175.

²*Ibid.*, p. 177.

³*Ibid.*, pp. 177–178.

⁴*Ibid.*, p. 181.

⁵*Ibid.*, pp. 181–182.

⁶*Ibid.*, p. 183.

⁷*Ibid.*, p. 164.

⁸*Ibid.*, p. 164.

provisions of the act based on “the actual practice of labor mediation and negotiation by the government officials who tried to manage labor strife in the early New Deal.” But this ignores the question of where that practice came from.¹ And as we already saw from our survey of Domhoff’s work in a previous chapter, it had its roots in the previous decades of labor policy-making in the NCF and other corporate liberal institutions. He also argues that they greatly exaggerate the loss of power by business, considering their role in “the shape and fate of other legislation before Congress at the same time” (e.g. Social Security).²

Autonomists vs. Instrumentalists on Foreign Policy. Probably the area in which state autonomists lay most emphasis on the autonomous interests of the state is in the realm of foreign affairs and national security policy. We already saw the stress that Skocpol put on the state’s pursuit of its autonomous interests against other states in the international state system.

This is certainly valid, up to a point—at the most basic level of geopolitics, as described by thinkers like Mahan and Mackinder. To the extent that a state coexists in a state system alongside other states, its material possibilities for interaction with them will be to some extent governed by considerations of physical geography, human and natural resources, the need to maintain territorial integrity against foreign attack or internal disorder, etc., regardless of its class nature. Hence the policies of Germany from unification through the World Wars, of the postwar Soviet Union in its competition with the capitalist world, and of Russia and China since the collapse of communism, have all of necessity reflected some of the same “world island” considerations; and the USSR faced imperatives similar to those of imperial Russia, such as the acquisition of a warm water port.

But beyond this most basic level of physical reality—which amounts to little more than acknowledging the fact we live in a material world and not a gnostic one of pure light—I believe it has been demonstrated many times over that the United States, in particular, has pursued a foreign policy in the interests of its dominant economic class. The evidence for what William Appleman Williams called “Open Door Imperialism” as a common thread in U.S. foreign policy, and of the importance of the needs of the capitalist system as a central consideration in that policy orientation—as reflected in US Grand Area policies during and after WWII (Domhoff, Shoup and Minter, etc.) and in the design of the postwar order (Kolko)—is in my opinion overwhelming.

The most noteworthy formulation of state autonomy theory in the realm of foreign affairs is Stephen Krasner’s 1978 book *Defending the National Interest*.³

At the outset, Krasner outlines the assumptions of what he calls his “statist” or “state-centric” approach. He rejects the “governing liberal paradigm” (i.e. interest group pluralism), which “does not view the state as an independent entity,” but rather as “a referee among competing interest groups” He also rejects the Marxist approach, which also “begin[s] from the perspective of the society”—in their case with state policy reflecting “either the preferences of the bourgeoisie” (instrumentalism) or “the structural needs of a capitalist system” (structuralism). In both cases, the goal of analysis is “to identify the underlying social structure and the political mechanisms through which particular societal groups determine the government’s behavior.” They reject the idea of a “national interest,” or interests of the state as such, independent of the system of power the state serves.⁴

Krasner, in contrast, “views the state as an autonomous actor” whose objectives “cannot be reduced to some summation of private interests. These objectives can be called appropriately the national interest.” He sets out to show, first, that American leaders have pursued a

¹Domhoff, *The Power Elite and the State*, p. 56.

²*Ibid.*, pp. 96-97.

³Stephen Krasner, *Defending the National Interest: Raw Materials Investments and U.S. Foreign Policy* (Princeton, New Jersey: Princeton University Press, 1978).

⁴*Ibid.*, p. 5.

consistent set of goals regarding foreign raw materials investment, and to defend his interpretation of events against the liberal and Marxist perspectives.¹ The book consists of a series of case studies, ranging chronologically from US reaction to the Mexican Revolution in the second decade of the 20th century to the oil crisis of the 1970s.²

Krasner goes on to elaborate on exactly what he means by “the state.” He starts from the assumption

that it is useful to conceive of a state as a set of rules and institutions having peculiar drives, compulsions, and aims of their own that are separate and distinct from the interests of any particular societal roup [sic]. These goals are associated either with general material objectives or with ambitious ideological goals related to beliefs about how societies should be ordered. They can be labeled the national interest. In striving to further the national interest, the state may confront internal as well as external resistance The ability of the state to overcome domestic resistance depends upon the instruments of control that it can exercise over groups within its own society.³

His identification of the specific entities that constitute “the state,” for the purpose of national security policy, is far narrower than what mainstream political science wonks usually mean by “government.” For his purposes “the central state actors are the President and the Secretary of State, and the most important institutions are the White House and the State Department.” Although Krasner denies he is “trying to reify the state,” he insists that in regard to foreign policy, the White House and State Department “are the pivot of the state.”⁴

He also denies that his paradigm amounts to an absolute separation between state and society; “in a democracy the two are inextricably bound together.” The state must serve the interests of society to some extent, because its power depends on popular support to a degree, which in turn requires at least a minimally satisfied populace.⁵ But the state approaches such satisfaction, not in terms of summing up all the individual preferences of citizens, but of the interests of the society as a whole as measured in terms of values assigned by the state.⁶

Krasner specifies that that rather than defining “national interest” in *a priori* terms, as do other analysts, he defines it “inductively” as “the preferences of American central decision-makers. Such a set of objectives must be related to general societal goals, persist over time, and have a consistent ranking of importance in order to justify using the term ‘national interest.’”⁷ In the specific case of raw materials investment policy, this national interest has consisted of three preferences, ranked as follows: “1) increase competition; 2) insure security of supply; and 3) promote broad foreign policy objectives.”⁸

Krasner found a shift in emphasis, in pursuing these objectives, between the prewar and postwar periods. Before WWII, the primary emphasis was on secure access to raw materials and the economic benefits of promoting competition in their supply; after the war, the focus shifted to the pursuit of ideological objectives:

Lockean liberal aims and a nonrevolutionary, democratic, and prosperous historical evolution. They were more concerned with structuring the international system and the domestic policies of other countries than with readily identifiable economic and strategic interests.⁹

In practical terms, as with Skocpol’s analysis of New Deal labor and pension policy, it’s pretty hard to distinguish the policies Krasner describes as the product of autonomous state interests from the policies states would pursue in serving the general, long-term needs of capi-

¹*Ibid.*, pp. 5-6.

²*Ibid.*, pp. 6-8.

³*Ibid.*, pp. 10-11.

⁴*Ibid.*, p. 11.

⁵*Ibid.*

⁶*Ibid.*, pp. 11-12.

⁷*Ibid.*, p. 13.

⁸*Ibid.*, p. 14.

⁹*Ibid.*, p. 14.

talism. Foreign raw materials investment, in particular, is an especially difficult area in which to draw a line between policies serving an autonomous state interest and policies serving the needs of the capitalist economy.

Krasner himself betrays this fact, in the way he explains his empirical approach to identifying the national interest in terms of objectives consistently pursued by the state that relate to “general societal goals,” and the ranked preferences he identifies as governing U.S. raw materials foreign policy. It would be quite difficult to distinguish these preferences, in operational terms, from those of a state pursuing the general, long-term structural interests of the capitalist system.

In fact not only does he give away as much inadvertently, but he explicitly admits the difficulty.

It is far more difficult to distinguish empirically between a statist paradigm and a structuralist one [than between a statist and an instrumentalist one]. One man's foreign policy goal is another's long-term preservation of capitalism. Yet it is possible to look for strains in either argument, for cases that require convoluted rationalizations. Cases involving general societal interests, such as the maximization of growth or protection of territorial integrity, cannot offer any test: what is good for the society as a whole will be good for its leading economic institutions Few opportunities for testing are offered by cases involving security of raw materials supply: both statist concerns with maximizing general utility and structural Marxism's focus on preserving the long-term economic interests of society, particularly in its leading forms, predict that this goal would be an important part of public policy.¹

So Krasner looks for cases in which those “strains” in the instrumentalist argument can be found. As his “most powerful evidence” for the state’s primarily ideological motivation in the post-WWII period, he cites the purported fact that “the behavior of the United States when it extended itself to the utmost—when it was prepared to use overt or covert force—must ultimately be understood not in terms of economic or strategic objectives, but in terms of ideological ones.”²

Krasner looked for cases in which American decision-makers acted in what would be seen as a “non-logical way” from a structural Marxist perspective. For him, the American leadership’s persistent exaggeration of “the importance of communist elements in foreign countries,” and its tendency to act in ways that would seem irrational in terms of means-ends calculations from a material perspective when it came to the costs of defeating communism, fit the bill. According to Krasner, such behavior “violates the basic premises of materialist formulations” that assume rational behavior in support of the structural needs of capitalism. American leaders obsessively pursued anti-communism not only at economic costs far greater than justified by the economic value of the targets of U.S. intervention, but at the cost of destabilizing capitalist society internally.³

And he cites large-scale military interventions like Vietnam as cases in which it is “indisputable ... that American central decision-makers resorted to this alternative only to oppose communist regimes in less developed countries” and not for the economic importance of those countries.⁴

But Krasner’s case for anti-communist ideological over material motivation is not quite so “indisputable” as he imagines. His criterion for identifying rational material or economic interest is flawed. His metric for a country’s material significance to the United States is overly narrow, defining a country’s importance to American capitalism in terms solely of the scale U.S. investment in its raw materials extraction, rather than in the importance of the raw materials themselves to the U.S. economy. Hence, any use of disproportionate force, such as an

¹*Ibid.*, p. 32.

²*Ibid.*, p. 6.

³*Ibid.*, pp. 15-17.

⁴*Ibid.*, p. 32.

overt military attack, where the level of U.S. raw materials investment was comparatively low—for example the U.S. invasion of Vietnam—is, in Krasner’s schema, ideologically motivated and irrational in material terms.¹

Even in cases where US overseas investments are minor, the American economy can have a major interest in guaranteeing the security of raw materials imports and preventing the adoption of autarkic policies by a raw materials supplier. Indeed this was at the heart of the concerns behind Grand Area analysis in the period immediately before US entry into WWII, irrespective of the amount of US foreign investment in the countries threatened with incorporation into the Greater East Asian Co-Prosperity Sphere.

Vietnam, in particular, was of considerable importance as a source of tin and rubber, regardless of the amount of US investment there; the disappearance of those economically and strategically vital raw materials into Japan’s autarkic sphere of control, in the event of French Indochina falling to Japan, was explicitly described as a trigger for US initiation of war by any means necessary in the event it happened. As Domhoff points out,

The definition of the national interest that led to these interventions was conceived in the years 1940-1942 by corporate planners in terms of what they saw as the needs of the capitalist system, well before communism was their primary concern.²

Raw materials considerations were at the heart of “Grand Area” policies immediately before and during WWII. Indeed, the primary reason for concern with foreign sources of raw materials is the American manufacturing economy’s dependence on them in order to function.

And Domhoff devotes most of his chapter on Krasner in *The Power Elite and the State* to dissecting the latter’s account in just those terms, showing that U.S. raw materials policy not only immediately before and during, but after WWII, is entirely consistent with a Grand Area interpretation focused on the material needs of the corporate economy.

Drawing on Laurence Shoup and William Minter’s work,³ he argues that the real shift in emphasis during WWII was the result not of Lockean ideology or anticomunism, but to a joint assessment by the State Department and Council on Foreign Relations of the global resource and market needs of the US economy.⁴

This analysis was a response, specifically to the challenge posed to America’s long-standing Open Door approach to imperialism by the rise of autarkic powers set on withdrawing the resources and markets of entire regions from the global economy. Until the rise of Fortress Europe and Japan’s Co-Prosperity Sphere, America had pursued its Open Door Imperialism more or less in harmony with the European colonial powers—something approximating Kautsky’s “Golden International,” rather than the ruthless rivalry posited by Lenin. The first major challenges to that policy were presented by Germany’s and Japan’s attempts at regional autarky, which threatened America’s access to the minimum foreign natural resources, and markets for surplus output and surplus capital, that its economy needed in order to survive.

According to this joint analysis, the United States required at a bare minimum that Latin America, the British Empire, and the western Pacific be integrated into serving the needs of its economy in order for it to continue functioning in any recognizable form. At the time—1940—the fall of France, the Low Countries, and much of Scandinavia had essentially removed Europe from the global economy. The potential German invasion of Great Britain

¹*Ibid.*, pp. 276-277.

²Domhoff, *The Power Elite and the State*, p. 113.

³Laurence H. Shoup and William Minter, “Shaping a New World Order: The Council on Foreign Relations’ Blueprint for World Hegemony, 1939-1945.” Chapter from *Imperial Brain Trust: The Council on Foreign Relations and United States Foreign Policy* (Monthly Review Press, 1977), reprinted in Holly Sklar, ed., *Trilateralism: The Trilateral Commission and Elite Planning for World Management* (Boston: South End Press, 1980).

⁴Domhoff, *The Power Elite and the State*, pp. 113-144.

presented the real prospect of some major part of the Royal Navy falling into German hands, along with British colonial holdings in Africa and Asia. Meanwhile the tin and rubber of French Indochina, and oil of the Dutch East Indies, were also threatened by Japanese expansion in the western Pacific.

The postwar architecture set up by the Western Allies—the UN Security Council, Bretton Woods, the American warfare state as successor to the power vacuum left by the rapidly declining British Empire, etc.—was designed to impose the Open Door on the world and prevent the rise of any further regional attempts at autarky. This postwar order, to be enforced under a Pax Americana, was already established in its broad outlines before Cold War with the USSR became a primary consideration; and one of the central dynamics driving the Cold War was the perception of the USSR as a regional power challenging American access to regional resources and markets in the same manner as had Germany and Japan.

A policy document (E-B32) dated April 17, 1941—before America even entered the war—advocated a policy of global economic integration and limits on sovereignty (for countries other than the United States, obviously) at a time when anti-communism was clearly not a major concern.

First, national self-determination should be qualified because “a more closely integrated world economic order will almost certainly require some restrictions on sovereignty.”... Fifth, “the benefits of a world economy should be contrasted with autarchy.”¹

Domhoff argues, in particular, that America’s interest in Southeast Asia was a direct continuation of the same resource concerns that motivated hostility to Japan two decades earlier.²

It is in the context of Grand Area planning between 1940 and 1942 then that we should look at how central decision-makers viewed Vietnam from 1943 to 1968. If we keep in mind that Southeast Asia was considered essential to the Grand Area from as early as the summer of 1940, and that council planners were prepared by the winter of 1940 to advocate war to keep Japan out of that area, then we can begin to appreciate the remarkable continuity that is found on this issue in the postwar reports and books of the council and in the official position papers of the state’s National Security Council created in 1947. True enough, as all sources stress, the Cold War and the resultant containment policy, along with a fear of appearing “soft on communism” in the eyes of voters, came to dominate the thinking of postwar decision-makers. But only the specific enemy had changed, not the policy. The primary concerns remained, first, healthy Japanese and British economies that could function in harmony with the American economy and, second, the ability to limit the power of nations that threatened this economically based conception of the American national interest. Since this Grand Area definition of the national interest preceded the advent of the Soviet threat, it cannot be attributed to a Lockean dislike of communism.³

Anticommunism only became a central driver of U.S. policy after the Soviet bloc “became the new challengers to the Grand Area conception of the national interest. In a certain sense . . . , they merely replaced the fascists of Germany and Japan as the enemies of the international economic and political system regarded as essential by American leaders.”⁴ The strategic importance of Vietnam was discussed in the Pentagon Papers in essentially the same terms as in the CFR/State department papers.⁵

In regard to the desire for a “healthy Japanese economy” functioning “in harmony” with the American system, Noam Chomsky noted the significance of Indochina as a source of raw materials for the Japanese industrial economy, and the need to integrate it into a regional economy—indeed, something resembling the Co-Prosperity Sphere, but under the aegis of the American-enforced world order—serving the needs of Japan as an American regional

¹*Ibid.*, p. 126.

²*Ibid.*, p. 122.

³*Ibid.*, p. 137.

⁴*Ibid.*, p. 145.

⁵*Ibid.*, p. 145.

proxy. If Southeast Asia and its resources were lost, there was a significant danger that Japan and Thailand would be pushed toward neutrality in the Cold War ("accommodate themselves" to the USSR and/or China), and America's influence over the Pacific Rim economy as a whole would suffer.¹

The strength of US resolve to prevent the fall of Saigon declined steadily in conjunction with Vietnam's declining significance as a factor in the larger regional economy and its potential neutrality or defection in the Cold War. Samuel Huntington later recounted his declining support for the war in Vietnam as the result of several combined factors: the suppression of communism in Indonesia as a result of the Suharto coup, the Sino-Soviet split, and the weakening of China's power projection capability by the Cultural Revolution.² This, coupled with the fact that Indochina had been utterly laid waste as an object lesson to other potential defectors, made it possible to decouple those Southeast Asian dominos from the larger regional economy and leave overall U.S. dominance intact.

As a result of all this, Krasner's distinction between "Lockean ideology" and the material needs of American business becomes largely meaningless—or at least unfalsifiable—in much the same way as Skocpol's distinction between autonomous state interests and the domestic needs of the capitalist system. "...[D]istinctions among rational economic interests, state goals, and a general ideology are false ones . . ."³ Whatever influence the ideology of the American state might have, the ideology itself is either rooted in, or reinforced by, the interests of American capital. The postwar definition of the American interest

was in good part economic in the sense that it was concerned with the full functioning of the American capitalist system with minimal changes in it. The goal was to avoid depression and social upheaval, on the one hand, and greater state control of the economy on the other. True enough, state decision-makers shared these common goals. However, this establishes that state goals were not separate from capitalist goals, but compatible with them.⁴

Domhoff's critique aside, we can also see continuity before and after the Cold War. American foreign policy in the period after 1990, when anti-communist concerns ceased to be a major factor, continued to be focused on imposing forced "connectivity" (Thomas Barnett's term⁵) on the world. And there is a significant degree of continuity, as well, between the USSR's challenge to Western dominance over the world's resources and markets, and efforts like the Shanghai Cooperative Organization and the Belt and Road Initiative to promote coalescence of a unified "world island" economy as an alternative to the Washington system.

In fairness to Krasner, he does at one point late in the book directly acknowledge something like the Grand Area argument—that "opposition to communist regimes is related to preserving the structure of the world capitalist system as a whole." As an example, he quotes Harry Magdoff in *The Age of Imperialism*: "the reality of imperialism goes far beyond the immediate interest of this or that investor: the underlying purpose is nothing less than keeping as much as possible of the world open for trade and investment by the giant multinational corporations."⁶

Krasner replies that Magdoff's argument is weak. It fails on three accounts: 1) it neglects "the relatively passive American response" to economic nationalism; 2) it assumes Marxist-

¹Noam Chomsky, "The Pentagon Papers and U.S. Imperialism in South East Asia," *The Spokesman* Winter 1972/73 <<https://chomsky.info/1972/>>; Chomsky, *Deterring Democracy* (New York: Hill and Wang, 1991), pp. 336-337; see also Domhoff, *The Power Elite and the State*, pp. 142-143.

²Domhoff, *The Power Elite and the State*, p. 146.

³*Ibid.*, p. 147.

⁴*Ibid.*, p. 144.

⁵Thomas Barnett, "The Pentagon's New Map," *Esquire* March 2003 (republished September 16, 2016 <<https://www.esquire.com/news-politics/a1546/thomas-barnett-iraq-war-primer/>>).

⁶Krasner, p. 315.

Leninist regimes would not sell raw materials to the United States; and 3) it ignores the irrationality of large-scale military commitments like Vietnam, in means-ends terms.¹

But Krasner's critique of the Grand Area—or “needs of global capitalism”—argument is itself weak. For one thing, it ignores the possibility that U.S. leadership might have seen economic nationalism as less threatening, in terms of U.S. access to resources, because the countries involved were in the broadly defined global security system of the United States—the “Free World”—or at least outside the Soviet sphere of control and not under the USSR's direct protection. On the other side, it ignores the possibility that trade with Marxist-Leninist regimes would have been seen as being at the ongoing suffrance of those regimes and their Soviet sponsors, with U.S. access to vital raw materials imports vulnerable to being cut off entirely at the discretion of the Soviet bloc.

As for the third count, Krasner ignores the historical evidence that U.S. leaders were in fact motivated by concerns over the effect the loss of Vietnam would have on the global capitalist system, or at least the regional capitalist system on the Pacific Rim.

And he is wrong, on all three counts, in his claim that structural Marxism requires that the state's assessment of reality in serving the material needs of capitalism be “rational.” Or at the very least, he ignores the difficulty of distinguishing between irrationality and errors of fact. There's a very fine line between error and irrationality, when it comes to assessing the importance of a particular to the world capitalist system and the potential harm resulting from its loss. And nothing in structural Marxism requires the leadership of the state to be omniscient or free from error. The state is not a magisterial authority, protected in its policies from miscalculation or misjudgement by the Holy Spirit. So it's entirely possible (for example) for U.S. leadership to be *mistaken* about the relative threats to raw materials supply security posed by economic nationalism and communist revolution, without in any way undermining the structuralist thesis.

Digression on Laursen and the State as Operating System. Somewhat related to the possibility of genuine state autonomy is the theory that the modern state by its organization and functioning has its own internal logic, analogous to that of capital. John Holloway argues, in *Crack Capitalism*, that the state is an alienated form of our own activity that we confront as an enemy, in the same way that we confront our concrete activity as abstract labor embodied in the commodity form and in capital.

The state is characterised by its separation from society. It does not establish the social cohesion, but acts as a necessary complement to the establishment of that cohesion through the process of exchange. It is a derivative form of abstract labour, constituted by the abstraction of doing into labour. The constitution of the state is at the same time the constitution of the economic and the political as separate spheres, from both of which the abstraction of doing into labour, the transformation of our being-able-to into a power-over us, disappears from view.

The political draws our fire, distracts our attention from the fundamental question of our power-to-do. The state, by its very existence, says in effect, ‘I am the force of social cohesion, I am the centre of social determination. If you want to change society, you must focus on me, you must gain control of me.’ This is not true. The real determinant of society is hidden behind the state and the economy: it is the way in which our everyday activity is organised, the subordination of our doing to the dictates of abstract labour, that is, of value, money, profit. It is this abstraction which is, after all, the very basis of the existence of the state. If we want to change society, we must stop the subordination of our activity to abstract labour, do something else . . .

The state, and therefore politics understood as a distinct sphere, is a removal, a displacement, a drawing away of our struggle for a different world. But more than that: it is a creation, a giving away by us. The existence of the state is part of the externalisation of power inherent in the abstraction of doing into labour, part of the transformation of our power-to-do into their power-over. We create and re-create it by paying taxes, by obeying the laws, by voting in elections: but also, by constituting a distinct sphere of the political separate from everyday life. The state is not an external force but an externalised force. We create the state by externalising our power: its power over us is the transfor-

¹*Ibid.*, p. 316.

mation of our power to do. The critique of the state, then, is the critique of the externalisation of our power, of our own constant creation and re-creation of the state as an authority standing outside us, and of politics as a distinct sphere separated from our daily lives, from our doing and eating and loving.¹

Eric Laursen's book *The Operating System* is devoted almost in its entirety to developing a similar thesis. He writes:

By virtually any standard—geographic, economic, cultural, technological—the modern State has been more successful than any previous system at imposing itself on humanity and the earth. Over five centuries, it has harnessed capital, labor, science and technology, and firepower to remake almost the entire world through conquest, slavery, innovation, economic exploitation, the subjugation or evisceration of societies that followed other models, the systematic stripping of the planet's natural resources, and the inculcation of its worldview into every one of us.

These were not by-products or unintended consequences. They also didn't have to happen. But these practices were integral to the State's goals and ambitions; they are part of its DNA.²

And the state encompasses everything that has been assimilated into its logic, not simply the formal government.

Its central feature is the legal, administrative, and decision-making structure we refer to as government. But the State is a much larger, more complex phenomenon, a comprehensive means of organizing and exercising power that, once it's launched, expands to cover more and more aspects of existence according to a direction and logic of its own....

At the same time, and again like a computer operating system, the State is not a material object or entity. The various pieces of "hardware" we associate with it—big, imposing neoclassical buildings fronted by Greco-Roman columns quite often come to mind, along with military bases, roads, and monuments—are merely material containers and symbols of the immaterial reality. An operating system is soft ware [sic], a collection of embedded commands that direct a machine called a computer. The State, too, is "software": a collection of ideas, doctrines, commands, and processes that direct the deployment of human beings and their deployment of physical resources.

The State is at once a political, social-cultural, and economic entity. Like an operating system, it networks together institutions, organizations, and less formal groups including government but also many others: corporations, banks, other financial institutions..., and other underpinnings of capitalism; eleemosynary (nonprofit and charitable) institutions; so-called civil society groups and political parties (especially "established" parties like the Democrats and Republicans in the United States, which have evolved into quasi-state institutions); and even basic units like families and households. Other institutions and groupings that form part of the State furnish cultural and even paramilitary support to the social order, strengthen organized religion, and reinforce racial and gender stratification: for instance... the American Legion, the Ku Klux Klan, the National Rifle Association, militia groups, the Proud Boys, and the Southern Baptist Convention in the United States.

Any organization recognized and regulated by law is a component of the State; so are many illegal or extralegal organizations that rely on State institutions and infrastructure in some respect, such as informal or gray markets What these entities have in common is that they all reinforce the State even as they depend on the structure of the State to survive. This is what makes the State a total operating system, not just a legal or administrative structure.

Government is, of course, the core institution of the State, but government depends on many of these other institutions and organizations to fulfill vital functions. Government especially depends on private capital as a partner in generating economic growth. Historically, many social and economic functions have shifted back and forth from government to private-sector control while always remaining within the State's power to regulate and legislate—and, in reality, the line between government and the private sector is profoundly blurred.³

¹John Holloway, *Crack Capitalism* (Pluto Press, 2010), pp. 133-134.

²Eric Laursen, *The Operating System: An Anarchist Theory of the Modern State* (AK Press, 2021), p. 19. Pagination from pdf version hosted at Library Genesis <<http://library.lol/main/912EF205ECC40107C200BA30EC80A40F>>.

³*Ibid.*, pp. 42-43.

The state's expansionist drive is reinforced by policies that lower the effort and transaction costs of operating within the state system, and raising both for attempts to operate outside of it.

Like a computer operating system, the State manages relationships between government, capital, nonprofits, and other entities to make them work together easily and efficiently, many parts operating at the same time. Like an operating system, it lets us do things—make computations, write, communicate, learn, play, create art, make a living—but always within boundaries that it prescribes and manipulates. Like an operating system, it provides a user-friendly interface that makes it much easier for us to conduct our business inside rather than outside its boundaries. Consider citizenship, passports, and other personal identification; it's possible to live in the modern world without them, though barely, and it is extremely inconvenient, to say the least. Or consider the highways, rail lines, and postal systems the State and its private-sector components offer. Or, for businesses, the infrastructure of trade treaties, customs services, and ports that facilitate commerce. There are ways around these, but it's so much easier to use the platform the State provides.¹

Compare the Borglike, totalizing nature of the state to the expansionist imperative of capital. Both capital and the state are expansionist entities whose core logic drives them to incorporate and assimilate everything external into itself.

How do their interests intersect? According to free-market ideologues like economist Milton Friedman, the only imperative of business is to create value for its owners. Any other relevant social role is contained in that imperative; otherwise it's not relevant. But this assertion is nothing more than ideology. The fundamental job of capital is to build the State; creating wealth, launching profit-making enterprises, providing needed goods and services, and manufacturing a desire for yet more goods and services are its principal contributions to the project. This often makes for extraordinarily uneven distribution of its benefits and accelerates the destruction of the environment, threatening human life as well, but it also increases the State's sources of taxation, which provides the leverage needed for the State to borrow money and finance its growth. For this reason, capitalism has been a vital part of the State ever since the modern State began.²

The state “enlists us in the work of reproducing itself”³ in the same way Marxists describe capital as incorporating workers’ extracted surplus labor into the mass of capital, so that workers’ own dead labor confronts them as an enemy and extracts still further surplus.

And the state, every bit as much as capital, is driven by the imperative to expand commodification and the cash nexus, in order to transform society into a fungible resource for its own purposes. “The State was the original capitalist, and it remains the greatest. It aspires to incorporate every inch, every corner of the society over which it presides into a vast wealth-producing machine.”⁴ Hence state policies from the beginning of the early modern period to impose specie money, to privatize and commodify common lands, and to coerce people into the wage system.

The motivation, then as now, was much the same. By adopting policies that raised productivity and held down labor costs, early modern states hoped to encourage economic growth that would boost taxes and other revenues, in turn allowing them to field more formidable armies, expand their geographic reach, and establish more pervasive control over their lands and populations.⁵

The distinction between “public” and “private,” or “government” and “business,” which is standard in American-style right-libertarian discourse, is largely meaningless against this background. The modern model of “private property rights,” which the libertarian right de-

¹*Ibid.*, p. 44.

²*Ibid.*, p. 25.

³*Ibid.*, p. 33. P

⁴*Ibid.*, p. 66.

⁵*Ibid.*, p. 66.

picts as the spontaneous outgrowth of Lockean homesteading, is the joint creation of the state and of capital.

This begins with property. When early modern European states began turning feudal lines of obligation into landed property—a form of direct ownership—the modern economy was born. Property ownership is a central principle of the State, a safeguard of authority and social order, and every state devotes a significant measure of its resources to defending property against almost any other moral or economic consideration.¹

This confluence of interests highlights the slipperiness of the distinction between the political and economic realms. Beginning in the nineteenth century, the State came to define the two as distinct and to define the economy as a closed system. This shift was useful because it allowed classical economics, focused exclusively on growth, to be presented as an objective, scientific area of study....

But the distinction is false. The State is an economic entity, just as much as a corporation or a company or a cooperative. It runs on revenues (taxes) and borrowed capital, just as a private company does....

The conjunction of interests between capitalists and the State... is profound. Both need steady, perpetual economic growth to remain viable and to legitimate themselves. Both are concerned with marshaling resources—animal, vegetable, inanimate, and human—for this purpose. Both therefore have an insatiable need ... to track, record, evaluate, and make these resources more exploitable.

Capitalism already existed in the activities of bankers and lenders in the cities of medieval Germany and Italy, but the formation of the modern State in the late fifteenth century supercharged it, giving capital a primary client with far greater resources. That client could coin and later print its own money, could open up vast new territories for capital to explore and exploit, and would always need capital's services as it grew and became more ambitious. Just like the State, modern capitalism isn't something that arose "naturally"; it had to be constructed, subsidized, and directed, and it still does. It couldn't exist without the State to supply the rules, enforcement, guardrails, and social acceptance that enable it to function—and, crucially, the credit backstop and subsidies needed to keep it profitable.²

Even self-proclaimed "socialist states" of the Marxist-Leninist variety pursue the same economic logic that led to enclosures and the imposition of modern private property. The forced collectivization under Stalin, every bit as much as imposition of fee-simple commodity land ownership under Stolypin, entailed suppression of the Mir in order to make arable land resources legible to the state and facilitate extraction. In fact "Marxist" economist Yevgeny Preobrazhensky coined the term "primitive socialist accumulation" for the financing of industrial expansion with wealth extracted from the peasantry.

Hence the absolute necessity that "we first understand the capitalist system as a component of the larger system of the State"; otherwise

any attempt to move beyond capitalism will only lead to a further buildup of the State and, in the end, the reproduction of capitalism in some form. This was precisely the outcome at the end of the "socialist decades" following the Russian Revolution and the heyday of social-democratic governments in Europe and elsewhere.³

In the case of the social democratic welfare state, the state expands by absorbing and "co-opting projects based on mutual aid"

¹*Ibid.*, p. 69.

²*Ibid.*, p. 70.

³*Ibid.*, p. 75.

that many workers adopted during the early industrial period through unions or fraternal organizations, such as old-age, survivors', and unemployment benefits, making them part of the State apparatus and thus cementing a potentially troublesome urban population's loyalty....

While social-democratic states at least in theory are more humanistic, inclusive, and caring than national states, they often express their rationale in a fairly hard-nosed way. "Today," write political scientists Anton Hemerijck and Robin Huguenot-Noël, "the evidence corroborates the contention that the quality of modern social policy positively affects long-term supply, especially with respect to employment and productivity, and indirectly demand. Central to the financial sustainability of the welfare state are the number (quantity) and productivity (quality) of current and future employees and taxpayers."

While the social-democratic state tends to have more regard for its population as human beings, in the end its goal is the same as that of other forms of the modern State: to mold the population into a productive workforce who can play their part in the building of the State.¹

The state's expansionist logic is reflected in the way it uses even the crises created by its own mismanagement to further expand itself. Laursen gives the example, of the state's disastrous handling of the COVID-19 pandemic at virtually every step of the way. And yet the scale of the disaster itself has fueled an enormous growth in the state's powers of surveillance and social control.²

Consider also the 9/11 attack, which was used at the pretext for the biggest single expansion of state power in decades: the Authorization for Use of Military Force, the USA PATRIOT Act, the introduction of what amounted to an internal passport system under TSA.... And yet the terrorist attack was itself blowback from decades of US foreign policy: active support for the Saud family (by far the biggest promoters of Wahhabism in the Middle East), followed by the destabilization of a secular Soviet client state in Afghanistan and aid to Wahhabist guerrillas who eventually gave birth to Al Qaeda, etc.

Compare this continuing reward for incompetence to capitalism's imperative to use resources inefficiently and engage in waste production, its treatment of wasteful consumption itself as the creation of value, in order to reduce the surplus and reduce idle capacity.

The nation-state and capitalism arose together at the beginning of the modern period, have existed symbiotically since, and help each other to grow like a cancer. In fact Laursen implies that the government and capitalism are both components of the state:

...[I]t's government, but it's also capitalism and the vast edifice of institutions, identities, and livelihoods grouped under those headings. In this book, we call it the State

When we examine [Global Systems Science] literature closely, we find that "systems" and "societies" are nearly synonymous with the State as we're defining it

Cutting through the jargon, that "complex system of global nodes and links" is the commercial side of the operating system the State molds, embodies, and presides over.³

The state has expanded not only intensively—that is, by subsuming everything within its jurisdiction into its core logic—but extensively. Since the founding of the Westphalian state system in Europe, it has replicated itself laterally to include virtually the entire world (aside from still partially ungoverned spaces, like the Indigenous communities of the Amazon rainforest, within the technical jurisdiction but not the actual grasp of nation-states). Even when states are at enmity, they tend to reinforce each other by accepting the state as the normal partner for interaction and by promoting a continuation of the nation-state model even over conquered territories. Time and again, revolutionary movements have reconstituted themselves as governments of territorial nation-states after taking power.⁴ And time and again, lib-

¹*Ibid.*, pp. 50-51.

²*Ibid.*, pp. 21 *et seq.*

³*Ibid.*, pp. 46-47.

⁴*Ibid.*, p. 14.

eration movements in former colonized countries have, after independence, left intact the artificial national borders originally drawn by imperialist states in disregard of ethnic or cultural boundaries, and constituted governments on the Westphalian nation-state model rather than attempting to reconstitute traditional, precolonial governance structures.¹ The state, with its borders and territory legally guaranteed, is the normal actor under international law. A whole set of multilateral institutions treat nation-state status as the norm for membership.²

Conclusion. Despite his differences with Skocpol on her specific historical analysis of the New Deal, interestingly, Domhoff agrees with her theoretically that the state is potentially autonomous from outside class interests.³ I agree. But given the (in my opinion) insurmountable obstacles to genuine representative democracy raised by Michels, Pareto and others, it seems an inescapable conclusion that not even a state that is autonomous from capitalist interests can be amenable to genuine democratic control. Although Skocpol's scenario of an autonomous state is plausible, such a state will not be a vehicle for majority rule. Rather, the state by its very nature being subject to control by one minority or another, the state apparatus will become a ruling class in its own right.

¹*Ibid.*, p. 36.

²*Ibid.*, pp. 100-101.

³Domhoff, "Corporate Liberal Theory and the Social Security Act" *Politics and Society* 15 (1986/87), pp. 319, 320.

Cockup/Foulup Theory

Both the structuralists and state autonomists, at least in their more grandiose flights of rhetoric, tend to treat the state as a more or less unitary and coherent entity. But as G. William Domhoff observed, the autonomy of the state as envisioned by structuralists and state autonomists, whether limited or total, breaks down in practice into bureaucratic fiefdoms.

The structural Marxists, he noted, “find it difficult to claim the state is looking after the general capitalist interest when so many different capitalists are able to capture different pieces of the state and demand so many different things.”¹

As for the state autonomists, Skocpol’s “state autonomy” thesis broke down in such a way that the state was only “autonomous” conceptually, whereas in practice it consisted of a number of bureaucracies, institutional entities, and other actors which were severally autonomous.

Michael Mann, likewise, observed that Skocpol’s work on the 20th century welfare state “locates elite autonomy among specialized bureaucrats, a more surreptitious, lesser form of autonomy.”² To quote Domhoff again: “State autonomists like Skocpol end up with every part of the state maximizing its own narrow self-interest, usually in terms of mere bureaucratic expansion.”³

What Mann calls “cock-up theory” or “foul-up theory” is relevant here. He tempers the view of the state, as an institution with its own autonomous goals, with the insight that the state is not “monocratic” (centralized under one head).⁴ In other words, “I believe that states are messier and less systemic and unitary than each single theory suggests.”⁵

Mann cites Edward Laumann and David Knoke (*The Organizational State*) as offering “a more empiricist institutional approach. They look for formal patterning of the interactions between state departments and pressure groups, concluding that the contemporary American state consists of complex ‘organizational’ networks.”⁶ The differentiated bureaucracies of the state, in their model, are autonomous, with their own agendas and clienteles.

Laumann and Knoke, in their studies of energy and health policy, start from the framework of

a set of consequential corporate actors, each possessing (1) variable interests in range of issues in a national policy domain and (2) relevant mobilizable resources. These actors are embedded within communication and resource-exchange networks.

¹G. William Domhoff, *The Power Elite and the State: How Policy is Made in America* (New York: Aldine de Gruyter, 1990), p. 27.

²Michael Mann, *The Sources of Social Power, Volume 2: The Rise of Classes and Nation-States, 1760-1914* (Cambridge, New York, Melbourne, Madrid, Cape Town, Singapore, Sao Paulo: Cambridge University Press, 1993), p. 51.

³Domhoff, *The Power Elite and the State*, pp. 27-28.

⁴Mann, *The Sources of Social Power, Volume 2*, pp. 57-58.

⁵*Ibid.* p. 88.

⁶*Ibid.* p. 52.

These actors, exchanging “specialized communications and resources,” are able to participate in “relevant decision-making events.”¹

The actors—“core populations of national policy domains”—are not purely governmental or “public sector.” Rather, they

consist of large numbers of private as well as public organizations. About three-quarters of the hundreds of key actors are nongovernmental collectivities. Their presence in large numbers reveals the limitations of policy-making studies that focus exclusively upon the micro-processes of influences within governmental institutions such as Congress and the executive agencies. Despite their lack of formal decision-making authority, many private participants possess sufficient political clout to ensure that their expressed interests will be taken into account by other actors.²

Participation in policy domains—particularly patterns of communication between actors—displays “core/periphery structure.” Participation and influence are matters of degree.

The major governmental actors—the White House, OMB, cabinet departments, key House and Senate subcommittees—occupy the center of the communication network . . . Arrayed around this core subset are the generalist trade associations, professional societies, and major corporations. They seem to mediate communication between the central authorities and the peripheral specialist actors that occupy the remoter subregions of the communication space.³

Only a limited number out of all the potential actors in a policy domain participate in any policy event, for the most part—even in the case of major decisions—“and by the end-stage of the decision-making process, there is little if any controversy about the policy option that will be implemented.” The participants in decision processes “are usually selected from a narrow region of the policy domains, and the mode of decision making is expert and technocratic.” The policy outcomes generally tend to create new structural constraints for future policy, such that policy choices are made from within a restricted range of institutionally-determined possibilities.

In fact, only a very limited number of matters are selected for dispute and public controversy, the result of poorly understood processes whereby key actors come to contest the symbolic framing in which “routine” decisions had heretofore been made.

By limiting the number and range of actors recognized as knowledgeable and legitimate participants, these “routine” understandings of the nature of policy events help to stabilize the organization of policy domains.⁴

Laumann and Knoke contrast their model to that of Marxists and elite theorists. While “instrumentalist” and structuralist Marxists differ in the degree of autonomy they posit for the state, and the importance they attach to direct ruling class participation in the state, they share a focus on the state (much like neoclassical economists’ treatment of the firm) primarily at the macro level.

None of these analyses track state policy making at the level of organizational populations laying claim to governmental authority on behalf of their interests. Although our project cannot elucidate the class basis of the American state, it cuts directly into that black box to reveal a complex set of interacting private and public institutions. We see policies as resulting from conflicts and contradictions among these organizational players, rather than reflecting the monolithic rationality and clarity of class interests implied by many Marxist images.⁵

Power elite theory, on the other hand, “conceives of the state in terms of elites whose interests are more organizationally derived than class oriented.” It typically “takes the individual

¹Edward O. Laumann and David Knoke, *The Organizational State: Social Choice in National Policy Domains* (Madison: University of Wisconsin Press, 1987), p. 5.

²*Ibid.*, p. 375.

³*Ibid.*, p. 377.

⁴*Ibid.*, pp. 378-379.

⁵*Ibid.*, p. 6.

as its unit of analysis, tracing patterns of recruitment to top command posts or delineating discussion networks among core actors (e.g. interlocking corporate directorates).¹

Although our project shares the concern of research on elite structures for mapping communication networks, we see organizations rather than natural persons as the core actors at the level of the national state. We further treat network structure as antecedent to policy event participation and its consequences.¹

Laumann and Knoke resemble the state autonomists in their treatment of the state as a domain governed by its own logic, although their approach to the state bears a closer resemblance to the near-pluralism of Skocpol's policy analyses of the New Deal than to her earlier treatments of the state as a single coherent actor or to Krasner's treatment as a unitary actor in security policy.

Eschewing both pluralistic individualism and Marxist class approaches, we conceive of the modern industrial polity as a complex of formal organizations in conflict with one another over the collective allocation of scarce societal resources. Neither aggregates of persons nor agents of class interests, the large bureaucratic state organizations are effective instruments of domination for those elites who can command their authority. Using power relations within and interorganizational networks among them, state managers and interest group leaders struggle to mobilize political resources that shape public policies beneficial to their organizations' objectives, including the survival of the power structure itself.

From the managerial-elite perspective, the national state is neither a structure for capitalist class rule nor a neutral umpire adjudicating between competing claims of social groups. Rather, the state is an autonomous social formation whose strategies emerge from the basic organizational imperatives of coping with environmental uncertainties, resource scarcities, and socio-legal constraints The historical creation of the liberal democratic state—Involving greater structural differentiation, increased control over societal resources, and expanded intervention into the economy and society—was accompanied by a parallel transformation of social segments into organized interest groups. In attempting to maximize their legitimacy and autonomy, state bureaus created stable networks of clientele, funding sources, and interbureau alliances. The boundaries between the public sector and private interest groups became blurred in the policy-making process.²

Despite their focus on organizations rather than "natural persons" as the primary actors, Laumann and Knoke drop hints that even individual organizations cannot be treated as black boxes. "But such corporate bodies rarely are wholly engaged in policy direction for a given subsystem. Only certain organizational components, particularly those at the executive level, participate in a [policy] domain."³ Organizations are also linked for "instrumental and solidarity-maintenance functions" through interlocks via the "shared use of personnel"; thus individual considerations undermine not only the internal unity of the organization, but the distinctiveness of its boundaries with the outside world.⁴

They also reject Graham Allison's rational actor model, treating the rationality of actors in the policy process as, at best, bounded. Actors assess the world from perspectives which are partial and situational, and characterized by uncertainty and limited information. In addition, actors possess limited amounts of attention that must be distributed among a large number of priorities which are constantly shifting.⁵ Policy options are frequently formulated by different sets of actors from those who must choose among them, and the policy options are filtered by the subjective positions and institutional cultures of those who formulate them. Rather than "an abstract rational actor who systematically scans all alternatives and selects one that maximizes utility,"

¹*Ibid.*, pp. 6-7.

²*Ibid.*, p. 8.

³*Ibid.*, p. 11.

⁴*Ibid.*, p. 13.

⁵*Ibid.*, p. 14.

organizational option generation . . . resembles solutions in search of issues. Organizational routine and standard operating procedures dispose actors toward a stock set of solutions that can be applied across a wide range of problems.¹

A good example of this is the contrast between Kissinger's ahistorical and schematized approach to targeting options in *Nuclear Weapons and Foreign Policy* (which resembled a list of descriptions of the movements available to each chess piece), and the actual targeting policies of the superpowers (which reflected service histories and military doctrines formulated on the basis of historic military experience).

As a result of their empirical investigation of various policy decisions in the energy and healthcare domains, Laumann and Knoke formulate an explanatory model of the state that embodies a number of features.

First, obviously, the state "*is increasingly an organizational state.*" The state in "advanced industrial capitalist democracies" is "a long-term product of the steady expansion of sovereignty through increasingly broader jurisdictions and more autonomous complex organizations." These trends are the result of a number of factors: "population growth and urbanization, technological innovation, legal-cultural institutionalization, [and] military competition in the world system." The increasing social division of labor requires a greater role of the state in large-scale coordination, and consequently increasing administrative specialization in the state. The "penetration of the bureaucratic arms of the state" into the private sector is facilitated by the "spread of rationality norms through both economy and polity."

Since the late 19th century, individual persons have been eclipsed as significant social actors by the rise of a social invention, the corporation. These "new persons" permitted quantities of human and material resources to be assembled and coordinated on a scale heretofore unimaginable. Changes in the legal codes and customs legitimated vast centralization and concentrations of wealth and power

As giant manufacturing and finance companies came to dominate the economy, they sought to take unpredictable market contingencies through state interventions. In a *pas de deux* of countervailing powers, business and state bureaucracies fed one another's hunger for domination, while steadily squeezing out any effective form of democratic control that was not channeled through formal organizations. Whether viewed as class domination and control or as a managerial imperative, these structural transformations left large-scale organizations as the only effective participants in the fundamental political decisions of mature capitalist societies.²

Second, the boundaries between "public" and "private" sector actors are "blurred." The state is not a clearly bounded and delineated entity, as posited by Weber.

The state is not a unitary actor, but a complex entity spanning multiple policy domains, comprising both government organizations and those core private sector participants whose interests must be taken into account Intimate consulting and lobbying relationships, frequent employment interchanges, and open communication channels between government and interest groups create the inseparably intertwined institutions that constitute the modern state.³

Third, in many policy decisions "*government organizations are not neutral umpires*" (as envisioned by interest group pluralism), "*but seek to promote their own agendas.*" In addition, because of organizational differentiation within the state, and the capture of different agencies "by representatives of opposing political and ideological tendencies," government organizations "may . . . be divided among themselves over intention and strategies." And the permanent bureaucracy tends to pursue agendas of its own regardless of the changing partisan makeup of the White House and Congress from one election to the next.⁴

Fifth—I save the authors' fourth point for more extended examination—"Major structural changes . . . are general off the agenda."

¹*Ibid.*, p. 16.

²*Ibid.* pp. 380-381.

³*Ibid.* p. 381.

⁴*Ibid.* p. 382.

The dominant belief systems in capitalist democracies tend to deflect challenges to a set of core values, including private ownership of capital, privatization of the surplus, and managerial prerogatives in the workplace. Threats of expropriation rarely affect the course of policy making.

But when they do, of course—as a result of sudden and large-scale destabilizing events and shifts in public opinion that catch policy actors off guard—they have a tremendous potential to transform the polity and society.”¹

(We should note that even in such cases, the level of transformation is significantly less than Laumann and Knoke imply, for the most part. Even when industries are nationalized—as we saw in a previous chapter in regard to the Atlee government after WWII—the new state industries are virtually certain to be governed by people with the same management styles and assumptions as they had been in the private sector, and to continue their existing role in the larger capitalist system. Even the most radical pressures from outside are likely to be coopted by existing political and economic elites, and the policies adopted in response to take a form most conducive to the interests of the latter.)

Sixth, the positions organizational actors take in any particular policy-making event will reflect organizational interests that are “*idiosyncratic*”—or, perhaps a better term, “*ad hoc*.” A particular organization’s actions from one policy event to another, and those of various theoretically allied organizations within the same policy event, will reflect their several interests at that particular time. An organization’s actions in one policy event will not necessarily constrain their actions in future policy events. There is “a low level of consistency between events,” and the distribution of actors between opposing sides in one policy dispute “maps poorly onto other events unless they are very closely related.”²

And as a direct consequence—point Seven—organizations continually shift in and out of debates, so that instead of “two strongly polarized camps” there is “a fragmented, loosely knit structure” with “*shifting interorganizational coalitions and influence interactions*.”³

To circle back to point Four—the most problematic for our purposes—the authors state that “*Policy preferences of organizations reflect mainly nonideological organizational imperatives*” rather than those either instrumentalists or structuralists would attribute to a “capitalist state.” Their decisions are motivated primarily by immediate, short-term interest rather than more general or long-term class and systemic interests.

In this perspective, organization managers are autonomous, proactive agents who continuously construct, enact, and change their organizations’ strategies according to their subjective meanings and interpretations imputed to other policy domain participants. As strategic actors, managers adhere to norms of administrative rationality....

Faced with an often overwhelming diversity of policy events . . . , organization managers and especially government affairs specialists must decide whether and how to intervene on narrow and pragmatic grounds. Corporate or union security, survival, growth, and adaptation take precedence over rigid ideological concerns, whether expressed as “free enterprise” or “worker solidarity.” Where economic objectives are particularly salient, as in the case of profit-making corporations and trade associations, managers are more likely to focus upon short-term gains and immediate firm or industry priorities than upon the general advantage of a “capitalist class.”

Even the existence of a potentially class-conscious coordinating action set does not guarantee that classwide concerns will dominate concrete policy events. When large economic stakes are present, rational managers are more likely to pursue policy outcomes that offer maximum potential payoffs for firm-level goals—such as market share growth, import protection, government deregulation, and labor control—than to assert principled stands that, theoretically, would strengthen the capitalist system.

Not only is it difficult for the sort of interested economic actors involved in policy decisions to draw “an unambiguous connection to broad questions of ownership and authority in the relations of production” from the particular policy issue, but even issues with a heavy compo-

¹Ibid. pp. 384-385.

²Ibid. p. 386.

³Ibid. pp. 386-387.

ment of broad class conflict “are typically debated by narrow subsets of domain participants rather than by classwide coalitions that pull most of the domain population into the struggle.”¹

Their particularist approach, if taken too far, threatens to turn—as did Skocpol’s state autonomy—into just another form of pluralism, on a more sophisticated level. If states are not unitary, centrally coordinated monoliths, it is nevertheless true that the modern state has (broadly speaking) a certain character, associated with its (again, broadly speaking) function within a system. It is, in Mann’s terminology, “patterned.”

Granted the excesses of systemic theories, can we pattern states while not reifying them? Do we have to abandon substantive theory and construct our theory merely from the formal properties of maps of the dense organizational networks of modern political influence, as Laumann and Knoke do? Despite the considerable virtues of their organizational theory, and the parallels between their enterprise and my own, does it not sometimes miss the wood for the trees? The American state surely is at some “higher,” macro level capitalist; it is also essentially federal and it possesses the most powerful militarism in the world. I would not have guessed this from their maps of complex organizational power networks. Indeed, by dismissing the notion that this might essentially be a capitalist state because organizational networks are rarely configured for the defense of capitalism (and so may sometimes react belatedly to a threat to their property rights), Laumann and Knoke are in danger of repeating the old pluralist error of mistaking the terrain of open political debate and organization for the entire terrain of politics.²

Even so, if it is not taken too far, Mann sees their focus on bureaucratic structures and operating procedures as offering a useful counterbalance to the tendency to treat the state as a unity.

The state, as a real-world entity, is complicated in two, cross-cutting or intersecting ways: by its own internal divisions and multiplicities, and by their relations to the larger society outside.

The state contains two dualities: It is place and persons and center and territory. Political power is simultaneously “statist,” vested in elite persons and institutions at the center, and it is composed of “party” relations between persons and institutions in the center and across state territories. Thus it will crystallize in forms essentially generated by the outside society and in forms that are intrinsic to its own political processes.

...State institutions are differentiated, undertaking different functions for different interest groups located within its territories. Whatever centrality, whatever private rationality, the state possesses, it is also impure, different parts of its body politic open to penetration by diverse power networks. Thus *the state need have no final unity or even consistency*.³

...Given such interpenetration, where does the state end and civil society begin? The state is no longer a small, private central place and elite with its own rationality. “It” contains multiple institutions and tentacles sprawling from the center through its territories, even sometimes through transnational space. Conversely, civil society also becomes far more politicized than in the past, sending out diverse raiding parties—pressure groups and political parties—into the various places of the state, as well as outflanking it transnationally.⁴

If—as elite theorists rightly point out—the state is not amenable to stable democratic control by an outside majority, it is likewise true that it is amenable to control even by an outside minority only to a limited extent. For that matter, the internal minorities at the helm of the state encounter similar limits to their control of the state apparatus.

Classes and other major power actors are not routinely organized to supervise all state functions. They may stir themselves to legislate a desired policy. Having achieved that, they disband or turn to another issue, leaving civil servants in peace. These may act with quiet autonomy. If power actors do not once again stir themselves, then departmental autonomies may emerge. These are probably greater in authoritarian than in parliamentary regimes. Without centralized cabinet government

¹Ibid. pp. 383-384.

²Mann, *The Sources of Social Power, Volume 2*, p. 54.

³Ibid., p. 56.

⁴Ibid., p. 61.

with ultimate responsible to parliament, authoritarian monarchs proved to have less control over 'their' technocratic-bureaucratic organizations than did constitutional supreme executives. Constitutional regimes proved more cohesive, if less autonomous, than authoritarian ones.

Thus elite autonomies may be *plural*, reducing state cohesion. Though the growth of bureaucracy may seem centralized, it actually sprawled. Thousands, then millions, of civil servants implemented policy. Technocracy and bureaucracy is inherently specialized and multiple, increasing state complexity....¹

...States do not systematically reflect their societies; they do not simply perform an underlying modernization, public goods, welfare, redistribution, or even crisis function. Nor do they systematically reflect a dialectical class struggle or the interests of state elites. They do all of these—and more—amid institutional and functional complexity that requires careful analysis.²

Taken all together, these things imply—albeit without contradicting the class nature of the state and its systemic functions in a broad sense—that the state is a collection of entities that take on a life, and an inertia, of their own. The individual parts of the state apparatus are limited by their perception of their own missions, by their institutional culture, and by codified operating procedures that cannot be readily altered.

States have multiple institutions, charged with multiple tasks, mobilizing constituencies both through their territories and geopolitically [D]ifferent "issue areas" or "policy domains" mobilize different constituencies. States are thus thoroughly polymorphous. Perhaps..., in describing any particular state, we should cease talking about "the state."³

...As often, the left hand of the state has not known what the right hand is doing.⁴

...As I have argued, states are not unitary but polymorphous, their multiple institutions crystallizing in different ways according to their different activities and the constituencies for these.⁵

Philip Abrams, a scholar cited by Mann as an antecedent for his cockup theory, argues for the difficulty in practice of determining where "the state" ends and "society" begins:

The difficulty is compounded by the fact that Poulantzas clearly recognises that large parts of the process of cohesion, and of the condensation of contradictions, are not performed within commonsensically 'political' structures at all but are diffused ubiquitously through the social system in ways which make any simple equation of the state and political structures of the kind proposed by Miliband untenable if the functional conception of the state is to be seriously pursued. The danger now is that the notion of the global functionality of the state will lead one into a forced recognition of the global structural existence of the state—a sense of its immanence in all structures perhaps. Certainly, the move is towards an abstract understanding of the state which is so structurally unspecific as to seem either to make the conception of the state redundant, or to substitute it for the conception of society. It seems that the key political functions cannot be definitively assigned to any particular personnel, apparatuses or institutions but rather 'float' with the tides of class power.⁶

For Poulantzas, Abrams says, "[c]lass power is exercised through specific institutions which are accordingly identified as power centres."

But these institutions are not just vehicles of class power: they have functions and an existence more properly their own as well. At the same time a structure, an ideologically hidden organisation, is constituted out of their existence. This hidden structure of power centres appears to be what is meant by the state

So functions refuse to adhere to structures, structures fail to engross functions. The particular functions of the state, economic, ideological and political, must be understood in terms of the state's global function of cohesion and unification. The global function, eludes structural location. Perhaps

¹*Ibid.*, pp. 67-68.

²*Ibid.*, p. 359.

³*Ibid.* p. 75.

⁴*Ibid.* pp. 80-81.

⁵Mann, *The Sources of Social Power, Volume 4: Globalizations, 1945-2011* (Cambridge, New York, Melbourne, Madrid, Cape Town, Singapore, Sao Paulo: Cambridge University Press, 2013), pp. 150-151.

⁶Philip Abrams, "Notes on the Difficulty of Studying the State (1977)," *Journal of Historical Sociology*, vol. 1 no. 1 (March 1988), pp. 73-74.

it would be simpler to dispense with the conception of the state as an intervening hidden structural reality altogether?¹

...For purposes of theory the state is primarily a set of functions—of cohesion, condensation of contradictions, isolation, and so forth. And the trouble is that the functions manifestly do not reside in the structures: the structures are simply not the ‘place’ where the functions are performed. So the state begins to be redefined as some more abstract, generalised, impalpable sort of structure.²

... [A]ny sense of concreteness, of a defined empirical referent [sic] for what one is talking about is quickly dissipated; ‘the state’, in the sense of political institutions is only one among a cluster of power centres, companies, cultural institutions and so forth being cited as others: yet it is via the ensemble of power centres that functions of the state are executed.³

At the same time, he echoes Mann on the internal multiplicity of the state’s bureaucracies.

I refer to the actual disunity of political power. It is this above all that the idea of the state conceals. The state is the unified symbol of an actual disunity. This is not just a disunity between the political and the economic but equally a profound disunity within the political. Political institutions, especially in the enlarged sense of Miliband’s state-system, conspicuously fail to display a unity of practice—just as they constantly discover their inability to function as a more general factor of cohesion. Manifestly they are divided against one another, volatile and confused. What is constituted out of their collective practice is a series of ephemerally unified postures in relation to transient issues with no sustained consistency of purpose.⁴

...The state is at most a message of domination—an ideological artefact attributing unity, morality and independence to the disunited, amoral and dependent workings of the practice of government.⁵

Contrary to Poulantzas’ claim that bureaucratization cannot undermine the structural function of the state in defending capitalism, the Weberian procedural rules within an individual bureaucracy take on a life of their own such that they cannot be set aside in the interest of “common sense.” To take an analogy from pop culture, the state’s bureaucracies can be compared to the Destructor in Ghostbusters, limited—like the Stay Puft Marshmallow Man—by the internal logic of their form.

Or on the occasions where a bureaucracy’s internal rules and procedures *are* set aside, they are more likely to be circumvented in the interests or to suit the agendas of individual actors within the bureaucracy in ways that subvert the official mission of the bureaucracy itself. Hence the tendency of bureaucracies to resist autonomous judgment and initiative of any kind, on the grounds of the moral hazard involved; hence, likewise, the fact that bureaucracies tend to alternate between rule-following and rule-breaking in ways that do not coincide with any common-sense standard for what is necessary for fulfilling a bureaucracy’s mission.

Another relevant concept is that of the Deep State. Although the term only recently achieved prominence in the media in reference to a crude conspiracy theory promulgated by Donald Trump and his supporters, the concept of the Deep State long predates this usage. The older concept of the Deep State overlaps with a cluster of other distinct but related concepts.

Most older usage of the Deep State centers either on the Security State (aka the Military-Industrial Complex), or on the “permanent government” (the unelected bureaucracy).

Regarding the latter, Marc Ambinder of the Annenberg School points out that “the deep state contains multitudes, and they are often at odds with one another The constituent parts of the deep state often do not align. They do not form one conspiracy.”⁶

¹*Ibid.* p. 74.

²*Ibid.* p. 87 n42.

³*Ibid.* p. 87 n45.

⁴*Ibid.* p. 79.

⁵*Ibid.* p. 81.

⁶Marc Ambinder, “Five Myths About the Deep State,” *Washington Post*, March 10, 2017 <https://www.washingtonpost.com/opinions/five-myths-about-the-deep-state/2017/03/10/ddb09b54-04da-11e7-ad5b-d2268oe18d10_story.html>.

It should hardly be controversial to assume that different parts of the state apparatus interpret policies from the state leadership in terms of their own internal cultures and operating procedures, and tend to implement them in ways that are compatible with those cultures and procedures. It should be no more controversial to recognize that the component institutions of the state sometimes consciously obstruct or sabotage policies from the leadership, when such policies are seen as actively hostile to the bureaucracies and their long-term missions and interests. For example: hostile leaks from within the U.S. bureaucracy, with the goal of embarrassing or undermining the White House, are a longtime phenomenon. As George Friedman argues:

For the most part, government civil service personnel are cautious people who genuinely believe in their mission—continuing to do tomorrow what they did yesterday. Their form of resistance is built around passive resistance. Demands for change manifest not in an uprising, but in delay, complexity and confusion.

There is a layer of employees in the turbulent boundary who have ambitions far beyond their jobs. This layer of employees, particularly those approaching retirement, also exists in the independent agencies. The former are bright young men and women who wreak havoc with ambition; the latter are men and women who have spent their careers struggling to do their jobs against a political system they regard as incapable of understanding what they do. This is natural given that they also have spent their careers making what they do mysterious and incomprehensible. As they age, they become more conservative (in the sense of preserving what is) and see themselves as the guardians of ancient verities. They frequently face a president who believes that the experts are the problem, not the solution.

In many countries, this would involve tanks in the streets. In the United States, it means intense and creative name-calling, either directly or through leaks to *The Washington Post* (for the second rank) and *The New York Times* (for the top rank). I recall the rage in the Department of Labor at President Ronald Reagan for firing air traffic controllers. I noted the anger at President John F. Kennedy's false news about a missile gap in the military-industrial complex and the schadenfreude at the Bay of Pigs.¹

Where the Trump partisans go wrong—in keeping with the tendency of right-wing conspiracy theorists in general to locate the motive force of history in personal cabals and esoteric ideologies rather than institutional considerations—is in seeing the Deep State as a co-ordinated, statewide effort driven by some common, malign agenda rather than ordinary bureaucratic politics. Whatever obstruction or sabotage does in fact occur, tends to follow organizational lines and reflect a given bureaucracy's perception of its own mission in relation to the national interest as it defines it.

It becomes especially interesting when the Security State and the permanent government coincide in the resistance they present to the political leadership.

Tufts Professor Michael Glennon argues, similarly, that the presidency “is not a top-down institution..., headed by a president who gives orders and causes the bureaucracy to click its heels and salute.”

National security policy actually bubbles up from within the bureaucracy. Many of the more controversial policies, from the mining of Nicaragua's harbors to the NSA surveillance program, originated within the bureaucracy. John Kerry was not exaggerating when he said that some of those programs are “on autopilot.”²

As an example of the limits the Security State imposes on the political leadership, consider President Obama's dismay “that the military gave them only two options for the war in Afghanistan: The United States could add more troops, or the United States could add a lot

¹George Friedman, “The Deep State is a Very Real Thing,” *HuffPost*, March 15, 2017 <https://www.huffpost.com/entry/the-deep-state_b_58c94a64e4b01dod473bcfa3>.

²Jordan Michael Smith, “Vote all you want. The secret government won't change” (interview with Michael Glennon), *Boston Globe*, October 19, 2014 <<http://www.bostonglobe.com/ideas/2014/10/18/vote-all-you-want-the-secret-government-won-change/jVSkXrENQlu8vNcBfMn9sL/story.html>>.

more troops. Hemmed in, Obama added 30,000 more troops.”¹ Consider also the German leadership’s decision to mobilize in the West as well as the East in 1914, because of the constraints presented by the General Staff’s mobilization plans. Likewise Kennedy’s apparent surprise, during the Cuban Missile Crisis, to learn that Jupiter missiles were still in Turkey.

More broadly, various parts of the state apparatus—especially in regard to the Security State and the portions of the Treasury Department concerned with economic and financial policy—form a loose network with mainstream economic policy think tanks, international banks, and those in charge of military and intelligence operations overseas.

Together, or at least severally, they function as guardians of a sort of conventional wisdom, enforced mainly through inertia and passive-aggression, against any “big ideas” from newly elected political leaders. Mike Lofgren, who spent decades as a staff analyst for various Congressional committees—most notably Budget—describes it:

The Deep State does not consist of the entire government. It is a hybrid of national security and law enforcement agencies: the Department of Defense, the Department of State, the Department of Homeland Security, the Central Intelligence Agency and the Justice Department. I also include the Department of the Treasury because of its jurisdiction over financial flows, its enforcement of international sanctions and its organic symbiosis with Wall Street. All these agencies are coordinated by the Executive Office of the President via the National Security Council. Certain key areas of the judiciary belong to the Deep State, such as the Foreign Intelligence Surveillance Court, whose actions are mysterious even to most members of Congress. Also included are a handful of vital federal trial courts, such as the Eastern District of Virginia and the Southern District of Manhattan, where sensitive proceedings in national security cases are conducted. The final government component (and possibly last in precedence among the formal branches of government established by the Constitution) is a kind of rump Congress consisting of the congressional leadership and some (but not all) of the members of the defense and intelligence committees. The rest of Congress, normally so fractious and partisan, is mostly only intermittently aware of the Deep State and when required usually submits to a few well-chosen words from the State’s emissaries.

I saw this submissiveness on many occasions. One memorable incident was passage of the Foreign Intelligence Surveillance Amendments Act of 2008. This legislation retroactively legalized the Bush administration’s illegal and unconstitutional surveillance first revealed by *The New York Times* in 2005 and indemnified the telecommunications companies for their cooperation in these acts. The bill passed easily: All that was required was the invocation of the word “terrorism” and most members of Congress responded like iron filings obeying a magnet. One who responded in that fashion was Senator Barack Obama, soon to be coronated as the presidential nominee at the Democratic National Convention in Denver. He had already won the most delegates by campaigning to the left of his main opponent, Hillary Clinton, on the excesses of the global war on terror and the erosion of constitutional liberties.

As the indemnification vote showed, the Deep State does not consist only of government agencies. What is euphemistically called “private enterprise” is an integral part of its operations. In a special series in *The Washington Post* called “Top Secret America,” Dana Priest and William K. Arkin described the scope of the privatized Deep State and the degree to which it has metastasized after the September 11 attacks. There are now 854,000 contract personnel with top-secret clearances—a number greater than that of top-secret-cleared civilian employees of the government

Washington is the most important node of the Deep State that has taken over America, but it is not the only one. Invisible threads of money and ambition connect the town to other nodes. One is Wall Street, which supplies the cash that keeps the political machine quiescent and operating as a diversionary marionette theater. Should the politicians forget their lines and threaten the status quo, Wall Street floods the town with cash and lawyers to help the hired hands remember their own best interests.²

And at its shadiest, this Deep State encompasses black budgeted torture sites, and the international drug cartels and money laundering banks which play such a large role in financing the US government’s terrorist operations overseas.

¹*Ibid.*

²Mike Lofgren, “Essay: Anatomy of the Deep State,” BillMoyers.com, February 21, 2014 <<https://billmoyers.com/2014/02/21/anatomy-of-the-deep-state/>>.

Their ability to wear down would-be reformers is exemplified by the Obama presidency. Obama ran against the national security state and the banks in 2008—only to expand drone warfare, intensify the war on whistleblowers, and adopt the Bush-Paulsen TARP with minor tweaks once in office. Between Gen. Petraeus's media propaganda offensive, and policy options presented by the Pentagon that amounted to a choice between a big surge and a small surge, Obama found himself similarly hamstrung over Afghanistan.

The conventional wisdom behind these limited policy options is shared by members of the policy apparatus without regard to party, from Obama and Hillary Clinton to Romney and Trump.

Petraeus and most of the avatars of the Deep State—the White House advisers who urged Obama not to impose compensation limits on Wall Street CEOs, the contractor-connected think tank experts who besought us to “stay the course” in Iraq, the economic gurus who perpetually demonstrate that globalization and deregulation are a blessing that makes us all better off in the long run—are careful to pretend that they have no ideology. Their preferred pose is that of the politically neutral technocrat offering well considered advice based on profound expertise. That is nonsense. They are deeply dyed in the hue of the official ideology of the governing class, an ideology that is neither specifically Democrat nor Republican. Domestically, whatever they might privately believe about essentially diversionary social issues such as abortion or gay marriage, they almost invariably believe in the “Washington Consensus”: financialization, outsourcing, privatization, deregulation and the commodifying of labor.¹

The discussions of bureaucratic machinery above can also be fruitfully seen in terms of the Christian doctrine of concupiscence. Even stipulating a more or less unified political will at the top of the state, this political “head” finds itself confronting “another law in its members” much like that St. Paul described in Romans, “warring against the law of its mind.”

In this regard, behind its idealized legal facade as a corporate entity, the state is a large and loose collection of various patterned interactions between actual human beings. These persisting patterns of interaction—*institutions*—vary in their degree of coordination with one another. They differ in their interpretation of the constitutional rules that ostensibly govern and legitimize their operations. And they vary in their degree of material influence and control over the actual means of coercive enforcement, their ability to enforce their will on each other, and their ability to enforce their will on society at large. And all these divisions are reproduced internally, within each institution itself.

¹*Ibid.*

The Question of Democracy

We've touched, in passing, on the question of democracy in previous chapters. That is, the question of whether and how much the public influences the policies of the state.

It's true enough that the state may be largely insulated from outside popular pressure in normal times.

A study by Martin Gilens and Benjamin Page found that “[w]hen the preferences of economic elites and the stands of organized interest groups are controlled for, the preferences of the average American appear to have only a minuscule, near-zero, statistically non-significant impact upon public policy.”

Interest groups do have substantial independent impacts on policy, and a few groups (particularly labor unions) represent average citizens' views reasonably well. But the interest-group system as a whole does not. Overall, net interest-group alignments are not significantly related to the preferences of average citizens. The net alignments of the most influential, business-oriented groups are *negatively* related to the average citizen's wishes. So existing interest groups do not serve effectively as transmission belts for the wishes of the populace as a whole....

Furthermore, the preferences of economic elites (as measured by our proxy, the preferences of “affluent” citizens) have far more independent impact upon policy change than the preferences of average citizens do. To be sure, this does not mean that ordinary citizens always lose out; they fairly often get the policies they favor, but only because those policies happen also to be preferred by the economically-elite citizens who wield the actual influence.¹

But if history shows anything, it's that an unintuitively large portion of the historical timeline is made up of times that are *not* normal. The history of state policy is a punctuated equilibrium in which destabilizing military or economic crises are generationally recurring phenomena, and the policy choices in the intervening “normal” times function within a set of tacit policy constraints set during the previous crisis.

So the question of whether is, for all intents and purposes already answered. It's indisputable—agreed to by adherents of all major theorists of the class nature of the state—that the state responds to pressure from outside when it's strong enough.

As for “how much,” it seems equally clear that the public can influence state policy a great deal when the pressure is sufficient.

For example, mass mobilization and pressure reached unprecedented levels in the 20th century, and placating the public or managing public opinion became a serious concern for ruling elites. Michael Mann writes that from the late 19th through the mid-20th centuries, “in the advanced countries the masses were leaping onstage in the theater of power—

¹Martin Gilens and Benjamin I. Page, “Testing Theories of American Politics: Elites, Interest Groups, and Average Citizens,” *Perspectives on Politics* 12:3 (September 2014) <<https://www.cambridge.org/core/services/aop-cambridge-core/content/view/62327F513959DoA304D4893B382B992B/S1537592714001595a.pdf/testing-theories-of-american-politics-elites-interest-groups-and-average-citizens.pdf>>, pp. 575-576.

concentrated in cities and factories, demanding citizen rights, conscripted into mass armies, mobilized by demotic ideologies and mass parties.”¹

Even power-elite theorists and other instrumentalists fully admit that ruling elites or classes can be seriously threatened by the prospect of mass action from outside/below, and adapt their course of action accordingly. G. William Domhoff writes:

We would even agree that members of the power elite often try to anticipate the reactions of other groups when they make their decisions. The potential power of angry, organized masses is well known in twentieth-century America thanks to foreign revolutions, the battle over women's suffrage, labor strikes, and the civil rights movement.²

The real question concerns whether the state merely *responds* to pressure from outside/below, with internal policy elites (despite genuinely responding to pressure from non-elites in ways they otherwise would not have) unilaterally shaping the form of the response, or whether the policy arena is an internally contested ground with a genuine possibility of direct working class *participation* in policy-making.

Does the public play a direct role in the formation of policy to any significant extent? Or do ruling elites simply respond to public pressure by crafting policy in a way that pacifies the public while maximizing their own class interest? Or is it some of each, depending on the degree of outside pressure or other variables?

Outside Pressure. The issue we're faced with is not whether mass mobilization influences state policy—it clearly does—but whether it is an outside force that influences ruling elites working inside the state, or is directly involved as a participant on the inside in its own right.

If the former is the case then, no matter how much ground capitalists concede in order to preserve their power (Joe Kennedy: “I am not ashamed to record that in those days I felt and said I would be willing to part with half of what I had if I could be sure of keeping, under law and order, the other half.”³), it is still the capitalists on the inside who decide how much ground to concede.

Despite Domhoff's background in the Power Elite school, he does not deny the role of representative democracy and the legislature in state policy.

...I believe that the Marxian analysis of the state in democratic capitalist societies is wrong because it incorporates a false homology between the economy and the state that distorts its view of the state and creates a tendency to downplay the importance of representative democracy. For many Marxists, representative democracy is an illusion that grows out of the same type of mystification that is created by the marketplace. Just as the capitalists appropriate surplus value “behind the backs” of the workers through the seemingly fair mechanism of the market, so too does representative democracy appropriate the political power of the workers through the seemingly fair mechanism of elections, when the major action is over in a state bureaucracy that responds to the interests of the owners of private property

Rather than downplaying the legislature, I will argue . . . that its existence is essential if a state is not to become autonomous and autocratic, even over capitalists. The existence of a legislature breaks down the unity of the state and thereby greatly limits its autonomy. In other words, representative democracy is one of the few counterpoints to the great potential power of an autocratic state, and it should not be dismissed as a mystification of class rule, even if legislatures tend to be dominated by capitalists.⁴

¹Michael Mann, *The Sources of Social Power, Volume 4: Globalizations, 1945–2011* (Cambridge, New York, Melbourne, Madrid, Cape Town, Singapore, Sao Paulo: Cambridge University Press, 2013), p. 6.

²G. William Domhoff, *Who Rules America?* (Englewood Cliffs, N.J.: Prentice-Hall, 1967), p. 152.

³*Ibid.*, p. 153.

⁴Domhoff, *The Power Elite and the State: How Policy is Made in America* (New York: Aldine de Gruyter, 1990), pp. 8-9.

For example he frames the New Deal as a response to popular pressure, but formulated by the power elite.¹

Domhoff's discussion of the Wagner Act in *The Power Elite and the State* probably falls midway between these two positions. The act took a form determined in the last resort by state policy elites acting from the perspective of capitalist employers, as we saw in a previous chapter; but it was pushed through Congress only with the aid of powerful pressure from below, coupled with severe ruling class disruption. The second paragraph of this passage might almost have been written with his treatment of the Wagner Act specifically in mind:

...[T]o claim that there is an upper class with enough power to be considered a ruling class does not imply that other levels of society are totally powerless. Domination does not mean total control, but the ability to set the terms under which other groups and classes must operate. Highly trained professionals with an interest in environmental and consumer issues have been able to couple their technical information and their understanding of the legislative process with well-timed publicity to win governmental restrictions on some corporation practices. Wage and salary workers, when they are organized into unions, have been able to win concessions on wages, hours, and working conditions. Even the most powerless of people, the very poor and those discriminated against, sometimes develop the capacity to disrupt the system through strikes, riots, or other forms of coercion, and there is evidence that such activities do bring about some redress of grievances, at least for a short while.

Most of all, there is also the fact that people can vote. Although [voting does not necessarily make] government responsive to the will of the majority, [nevertheless] under certain circumstances the electorate has been able to place restraints on the actions of the power elite as a whole, or to determine which leaders within the power elite will have the greatest influence on policy. This is especially a possibility when there are disagreements within the ruling class....²

But it is still the ruling elite, ultimately, that actually crafts the policies. As Domhoff put it,

the limits of most policy disputes in the United States are defined by the limits of differences within the power elite. Other groups in the population are sometimes taken into account, especially when they are angry, but they are seldom an integral part of the deliberations.³

In the debate over Social Security and the Wagner Act between Domhoff, and Skocpol and the state autonomists, whatever their disagreement over the comparative influence of business interests and state managers in shaping the actual form of policy, it's clear they agree on who did *not* directly influence it: the general public.

In other words, genuine democracy is more or less left out of the picture by all of the contending models.

The one way the public achieves genuine influence over policy is through disruptive pressure from the outside, Domhoff argues:

if average people have very little power through voting or lobbying, at least when things are quiet, they do have power when they disrupt the system, when labor markets are tight, or when the country is at war. Only in such circumstances. I would argue, do the leaders from any segment of the ruling class pay any attention to the social problems that are everywhere apparent through social statistics, sensational newspaper accounts, or encounters with people suffering from homelessness, discrimination, or poverty. This is not a theory that will be welcomed by *Washington Post* liberals... who think of political power primarily in terms of voting, letter writing, campaign finance, and lobbying. But it is the only one that can explain why liberals, labor, and minorities, despite their great numbers, never win much against the conservative coalition unless there is a fear of disruption and violence loose in the land due to the actions of strikers, civil rights demonstrators, angry rioters in northern ghettos, or students demonstrating against wars.

There are many different factors that can trigger social protest, but they share in common a loosening or breaking of the institutional framework that usually keeps most people involved in eve-

¹Domhoff, *The Higher Circles: The Governing Class in America* (New York: Vintage Books, 1970, 1971), pp. 217-218

²Domhoff, *Who Rules America Now?* (Prospect Heights, IL: Waveland Press, 1983), pp. 2-3.

³Domhoff, *The Higher Circles*, p. 107.

ryday routines. Sometimes the failure is economic, as in a depression, dislodging people from their jobs and making them more amenable to joining social movements. At other times an old power structure is in the process of change or decline, or previously oppressed people have been able to alter gradually their life circumstances, as was the case shortly before the disruptive phase of the civil rights movement began with sit-ins in 1960. Whatever the cause, however, I am asserting that social disruption, whether violent or nonviolent, is an essential factor in any successful challenge to the power structure in the United States.

Essential, but not sufficient. Mainstream theorists will rush forward to assert that disruption is not enough for other than short-term or symbolic victories, and it is true that the turmoil must lead to increased voter turnout or changes in voting patterns, or else there have to be enough liberals who are already inside the government to bring about legislative remedies. All of these factors played a role in breaching conservative bulwarks in 1934 and 1964, years when social unrest brought large numbers of liberals into office.¹

Michael Mann also sees the degree of popular mobilization and pressure from below under the New Deal, which he describes in quite vivid terms, as virtually unprecedented in American history.

The political interventionist response to the Great Depression seems peculiar, not part of a general phenomenon. Almost for the first time in history subordinate social classes demanded what [T.H.] Marshall called “social citizenship.”²

Millions of Americans were looking for work, alternating hope, despair, and anger. Shantytowns, bread lines, and soup kitchens proliferated. With help from socialists and communists, they formed councils, demonstrated, marched, and petitioned city halls. They received sympathy, not least from the shopkeepers and others whose livelihoods depended on their consumption. Housing evictions were resisted by tenants and their neighbors. If the police did disperse protesters with beatings and shootings, massive demonstrations ensued. There was a surge in popular leftism that lasted through 1935, a break out from the isolated labor movement of the Progressive Era that touched many middle-class groups, as well.

A Farmers Holiday Association caused trouble across rural areas. A “Bonus Army” of mostly unemployed military veterans marched to Washington in 1932, protesting they had never received the promised bonus for fighting in World War I.... Starting in 1935, the Townsend Movement, organized by a retired physician from California, mobilized millions of followers to demand an old-age pension of \$200 a month for the over 65s. Father Charles Coughlin stirred up a populist following directed against the rich and powerful, which then veered rightward to become America’s largest fascist-tinged movement. Although these were not explicitly class movements, they did stir up anger against the rich and privileged.

Strikes rose from 1931, with spurts in 1933–1934 and 1937.... Between 1933 and 1935, more strikes than ever before or since demanded union representation or more shop-floor control.... Labor protests were much more widespread and effective than anyone alive could remember. The Depression of the 1890s had seen major strikes, and there had also been some in 1919, but on both occasions, striking workers had been isolated. Now protesters and strikers had national sympathy. Politicians grew reluctant to try such repression against the people.³

The Wagner Act, in particular, was motivated by fear of mass strikes and destabilization within industry. Sen. Robert Wagner of New York, “one of the leading New Dealers, with close ties to New York unions and corporate liberals,” in March 1935

warned of a “rising tide of industrial discontent.” Senator Robert LaFollette Jr., from Wisconsin—also a long-time champion of labor—and a Progressive Republican, predicted “open industrial warfare” if the demands of labor were not addressed. Representative William Connery of Massachusetts—representing an industrial district—a long-time sponsor of labor bills and Chairman of the House Labor Committee, foresaw “the gates of hell opened.” Representative Martin Sweeney of

¹Domhoff, *The Power Elite and the State*, pp. 260-261.

²Mann, *The Sources of Social Power, Volume 2: The Rise of Classes and Nation-States, 1760-1914* (Cambridge, New York, Melbourne, Madrid, Cape Town, Singapore, Sao Paulo: Cambridge University Press, 1993), p. 359.

³Mann, *The Sources of Social Power, Volume 3: Global Empires and Revolution, 1890-1945* (Cambridge, New York, Melbourne, Madrid, Cape Town, Singapore, Sao Paulo: Cambridge University Press, 2012), pp. 256-257.

industrial Cleveland predicted “an epidemic of strikes that has never before been witnessed in this country.”¹

Some additional nuance enters the picture when we try to assign the relative importance of pressure from outside, and internal fractures *within* ruling elites. Mann refers to two kinds of “power resource” or class theory that are used to explain the policies of the New Deal as a response to such pressure.

Some emphasize *class struggle*, generally workers and small farmers against capitalists. They tend to see the New Deal as wrested from unwilling dominant classes by pressure from below; buttressed by liberal, radical, and socialist ideologies; they see its limitations exposed where the balance of class power tilted toward capital. They see workers, farmers, and others forcing concessions in a situation in which the final outcome was decided by class struggle.

The second class theory sees the New Deal as involving struggle among *class fractions* (or segments) of the main classes Within a generally conservative capitalist class, lay a corporate liberal or corporate moderate fraction, heir to the modernizing wing of the Progressive movement.... They were willing to make concessions to popular forces in order to save capitalism and ally temporarily with responsible fractions of labor to thwart both radicals and conservatives, who they viewed as too shortsighted to see that capitalism needed modernizing. There is no consensus over which industries and sectors such corporate liberals inhabited.²

Mann sees the two classes of theory as complementary rather than rivalrous: “The strength of the two class approaches is that the Depression was a crisis of capitalism and did unleash popular unrest, which then generated debates among elites about how to maintain their own power.”³

Nevertheless, the form of the government’s policy response to such pressure was determined almost entirely by elites within the state.

The Wagner Act promised reform in the name of both social justice and orderly regulation. Wagner’s former staff members remembered the bill as being more conservative than radical, and they remember Wagner justifying it by saying it was as much as he could get [Nelson] Lichtenstein says the Act was a “clear concession to the disruptive militancy of the era, but one that also sought to channel worker protest into predictable patterns under a system of state regulation.” Responsible union leaders would control their members.

This motive was prominent among reformers in all countries. As elsewhere, labor’s rise depended on its own power to create trouble and the belief of moderates from other classes that labor agitation could be steered into more orderly channels that would preserve capitalism from disorder or revolution.⁴

The electoral pressure was for an expansion of government regulatory agencies. Thus, the main causal arrow went from popular pressure, mostly expressed through the electoral system, to the hiring of experts by all sides—business needed to bend its interests toward the fine print of legislation it recognized as being inevitable. Then the experts, their bosses, and Congress all wrestled over the exact content of programs. The democratic process involved much more than just class, but its sharp edge was the demonstrations, strikes, and unionization.⁵

Both the earlier welfare state and the responses of capitalist states to the Depression were, cross-nationally, responses by ruling elites to the threat of mass unrest, and took the form best judged to preserve the core logic of the system intact. All the major variants of social welfare systems from the late 19th century through the beginning of WWI—in the U.S. and Britain, Scandinavia, and Bismarck’s Germany—were “attempts by liberals, the state, or churches to divert working-class support away from socialism....”⁶

Reformed capitalism triumphed because although capitalists vigorously defended their property rights, determined opposition from below usually forced them into making compromises, the pro-

¹*Ibid.*, p. 261.

²*Ibid.*, p. 246.

³*Ibid.*, p. 246.

⁴*Ibid.*, pp. 262-263.

⁵*Ibid.*, p. 259.

⁶*Ibid.*, pp. 289-290.

cess being aided by centrists and pragmatists (including corporate liberals) seeking compromise and the institutionalization of class conflict through legislative intervention. Their main motive was the desire to head off class conflict at the pass, before it got really serious.

...Capitalists initially tried to repress labor movements, but this usually failed. So across the mid-twentieth century, aided by the outcomes of wars, they grudgingly and collectively accepted state intervention to smooth over the dysfunctional tendencies of capitalism as well as accepting redistributive deals with organized workers, as long as these left their own ownership and control rights intact.¹

The same was true of wartime labor policy: the National War Labor Board “wanted responsible unions,”

and unions traded no-strike pledges for employer recognition and institutional gains The fixed term contract became normal, confining conflict to the end of the contract period, when the board’s arbitration procedures helped regulate it

Union leaders had hoped for a corporatism in which labor was an equal partner in industry “councils.” At the shop-floor level they wanted participation in production decisions and hiring and firing, plus the right to inspect companies’ books. They failed to get any of this. Roosevelt was not interested, and even the unions were divided, so business simply refused to yield managerial prerogatives. Union leaders were now required to take action against shop-floor militants, and so the CIO made new demands of local officials. They must be “capable of administering contracts on a relatively peaceful basis.” Where they would not toe this line, they were purged.²

The importance of mass popular pressure and the threat of disorder, in bringing about expansions of the welfare state in the New Deal and Great Society, is stressed in the work of Frances Piven and Richard Cloward. Their general thesis is that welfare policy is cyclical. Welfare rolls expand to pacify the public in the face of mass discontent and the threat of disorder. In times of greater prosperity and stability, the welfare state becomes more authoritarian, and assumes a greater supervisory role over the poor in enforcing work discipline and properly docile behavior.

Historical evidence suggests that relief arrangements are initiated or expanded during the occasional outbreaks of civil disorder produced by mass unemployment, and are then abolished or contracted when political stability is restored. We shall argue that expansive relief policies are designed to mute civil disorder, and restrictive ones to reinforce work norms.³

Relief arrangements are ancillary to economic arrangements. Their chief function is to regulate labor, and they do that in two general ways. First, when mass unemployment leads to outbreaks of turmoil, relief programs are ordinarily initiated or expanded to absorb and control enough of the unemployed to restore order; then, as turbulence subsides, the relief system contracts, expelling those who are needed to populate the labor market. Relief also performs a labor-regulating function in this shrunken state⁴

During the Depression, relief measures were a response to levels of mass disorder by the unemployed that genuinely frightened American economic and political elites.

Groups of men out of work congregated at local relief agencies, cornered and harassed administrators, and took over offices until their demands were met—which usually meant that money or goods were distributed to them. Relief officials, who were accustomed to discretionary giving to a meek clientele and were not much governed by any fixed set of regulations, usually acquiesced in the face of aggressive protests And because disturbances in local centers succeeded in getting people money or goods, the movement spread throughout the country.

In Chicago, for example, where many of the homeless unemployed had taken refuge in the municipal lodging houses, the Unemployed Council organized five thousand men to march on the headquarters of the lodging houses, demanding three meals a day, free medical attention, tobacco twice a week, the right to hold Council meetings in the lodging houses, and the assurance of no discrimination against Council members. When relief funds were cut by 50 per cent, the unemployed

¹*Ibid.*, pp. 460-461.

²Mann, *The Sources of Social Power, Volume 4*, pp. 42-43.

³Frances Fox Piven and Richard A. Cloward. *Regulating the Poor: The Functions of Public Welfare* (New York: Vintage Books, 1971), xiii.

⁴*Ibid.*, p. 3.

marched again and the cut was rescinded. Chicago was also the scene of frequent "rent riots," especially in the black neighborhoods, where unemployment reached catastrophic proportions and evictions were frequent. Groups of as many as a hundred men, often led by Communist Party members, would assemble to put an evicted family's furniture back into the apartment or house (even when the family was not present).... After a rent riot in August 1931, in which three policemen were injured, evictions were suspended, at least temporarily, and some of the rioters got work relief....

In New York, group action by the unemployed began with resistance to evictions on the Lower East Side. In 1930 and 1931, the number of evictions increased daily, and small bands of men began to use strong-arm tactics to prevent marshals from putting furniture on the street....

Goaded by cuts in relief, demonstrations often culminated in violence, with consequent arrests and jailings. In March 1932, a procession of thousands of jobless marched from downtown Detroit to the Ford River Rouge plant in Dearborn, where they were met by the Dearborn police. When ordered to halt, the marchers kept moving, and the police opened fire, killing four and wounding several others before the crowd broke ranks. The bodies were laid in state under a red banner bearing Lenin's portrait....

...Economic distress had produced unprecedented disorder and the specter of cataclysmic disorder. Communist-led rallies and marches in New York City drew thousands of people who participated because they were hungry and wanted jobs. Farmers in Iowa overturned milk trucks in a desperate demand that the price they received at market cover at least their costs of production. In Chicago, where half the working force was unemployed and Socialists and Communists were organizing mass demonstrations, the Mayor pleaded for the federal government to send 150 million dollars for relief immediately rather than federal troops later. By the spring of 1932, riots had broken out in the coal-mining areas of Kentucky, and the Administration was being warned of the imminent spread of violence—and Communism—in the Kentucky mountains. Congressman Hamilton Fish, Jr., announced to House of Representatives that "if we don't give [security] under the existing system, the people will change the system. Make no mistake about that."¹

Mass looting by organized bands of the unemployed was also quite common across the country.

In New York bands of thirty or forty men regularly descended upon markets, but the chain stores refused to call the police, in order to keep the events out of the papers. In March 1,100 men waiting on a Salvation Army goods bread line in New York City mobbed two trucks delivering baked to a nearby hotel. In Henryetta, Oklahoma, 300 jobless marched on storekeepers to demand food, insisting they were not begging and threatening to use force if necessary.²

More generally, Piven argues elsewhere for "disruptive power" as the main source of real democratic influence over the state.

... [O]rdinary people exercise power in American politics mainly at those extraordinary moments when they rise up in anger and hope, defy the rules that ordinarily govern their daily lives, and, by doing so, disrupt the workings of the institutions in which they are enmeshed. The drama of such events, combined with the disorder that results, propels new issues to the center of political debate, issues that were previously suppressed by the managers of political parties that depend on welding together majorities. When the new issues fracture or threaten to fracture electoral coalitions, political leaders try to restore order and stem voter defections by proffering reforms.

... [I]t is in fact precisely at the moments when people act outside of electoral norms that electoral-representative procedures are more likely to realize their democratic potential.³

Disruptive power is the direct result of social complexity, of the "networks of cooperation" society depends on.

All societies organize social life through networks of specialized and interdependent activities, and the more complex the society, the more elaborate these interdependent relations And the networks of interdependence that bind people together also generate widespread power capacities to act on these distinctive interests and outlooks. Agricultural workers depend on landowners, but landowners also depend on agricultural workers, just as industrial capitalists depend on workers, the

¹*Ibid.*, pp. 62-68.

²Piven and Cloward. *Poor People's Movements: Why They Succeed, How They Fail* (New York: Vintage, 1977), p. 49.

³Frances Fox Piven, *Challenging Authority: How Ordinary People Change America* (Lanham, Boulder, New York, Toronto, Oxford: Rowman & Littlefield Publishers, Inc., 2006), pp. 1-2.

prince depends in some measure on the urban crowd, merchants depend on customers, husbands depend on wives, masters depend on slaves, landlords depend on tenants, and governing elites in the modern state depend on the acquiescence if not the approval of enfranchised publics.

Unlike wealth and force, which are concentrated at the top of social hierarchies, the leverage inherent in interdependencies is potentially widespread, especially in a densely interconnected society where the division of labor is far advanced....

In other words, although agricultural laborers, industrial workers, the people in the urban crowd, are all at the bottom end of hierarchical relations—and are kept at the bottom by wealth and force and the ideologies, rules, and coercive threats that those with wealth and force deploy—they nevertheless all also have potential power. That power consists in their ability to disrupt a pattern of ongoing and institutionalized cooperation that depends on their continuing contributions. The great moments of equalizing reform in American political history have been responses to the threatened or actual exercise of this disruptive power....¹

Colin Barker and Gareth Dale cite the example of Spain, in the period leading up to and after Franco's death.

The classic case was Spain. A movement surge in the late 1960s and early 1970s—centered on students, church groups, neighborhood associations, underground political parties, and industrial action—fed into a spike in (illegal, and usually political) strikes in 1974–75. Within weeks of General Franco's death in 1975, a renewed wave of strikes compelled a shift in the fascist regime's stance, displacing the old hardliners. The new administration under Adolfo Suárez announced elections, dissolved the secret police, and legalized independent trade unions and the Socialists (PSOE) and then the Communists (PCE)—against the wishes of much of the military. The matter of timing was significant. As Sebastian Balfour notes, if the regime had not acted when it did, "it is quite feasible that the movements of protest would have become more radical, giving rise to alternative forms of popular power on a local level." At least some members of the old regime were well aware of this, taking note of recent events across the border in Portugal. Franco's nephew, Nicolás, commented in 1975, before his uncle's death, "We have so many things to learn, both good and bad; because it did not carry through evolutionary changes in time, Portugal now finds itself faced with the uncertainties of a revolution."²

At the further extremes of public pressure in times of severe crisis and destabilization, David Graeber relates how pressure from outside forced near-total dismantling of IMF debt regime:

The IMF had another, less celebrated, role: that of global enforcer. It was its job to ensure that no country (no matter how poor) could ever be allowed to default on loans to Western bankers (no matter how foolhardy). Imagine a banker were to offer a corrupt dictator a billion dollar loan, and that dictator placed it directly in his Swiss bank account and fled the country; the IMF's job was to ensure that, rather than be forgiven or renegotiated, let alone hunted down, that billion would still have to be extracted (plus generous interest) from the dictator's former victims. Under no conditions should Chase or Citibank have to take a loss. If a country did default, for any reason, the IMF could impose a credit boycott whose economic effects were roughly comparable to that of a nuclear bomb.... This role was their downfall.

What happened was that in 2002, Argentina defaulted and got away with it.³

In the aftermath of the 2002 crash, three Argentinian governments fell in one month, workers took over factories, and citizen assemblies took over neighborhoods. When moderate Social Democrat Nestor Kirchner took power in 2003, it was an uphill fight to get the public to accept any government, as a matter of principle.⁴

He did, in fact, the one thing no one in that position is ever supposed to do. He announced he simply wasn't going to play [sic] the bulk of Argentina's foreign debt.

¹*Ibid.*, pp. 20-21.

²Colin Barker and Gareth Dale, "Introduction". In Colin Barker, Gareth Dale, and Neil Davidson, eds., *Revolutionary Rehearsals in the Neoliberal Age* (Chicago: Haymarket Books, 2021). Pagination from pdf at Library Genesis <<http://library.lol/main/6214Co42A98CA68BB9CAEF6B17BFCE20>>, p. 20.

³David Graeber, *Revolutions in Reverse: Essays on Politics, Violence, Art, and Imagination* (London, New York, and Port Watson: Minor Compositions, 2011), p. 21.

⁴*Ibid.*, pp. 21-22.

Actually Kirchner was quite clever about it. He did not default on his IMF loans. He focused on Argentina's private debt, announcing that he was unilaterally writing them down by 75 cents on the dollar. The result was the greatest default in financial history. Citibank and Chase appealed to the IMF, their accustomed enforcer, to apply the usual punishment. But for the first time in its history, the IMF balked. First of all, with Argentina's economy already in ruins, even the economic equivalent of a nuclear bomb would do little more than make the rubble bounce. Second of all, just about everyone was aware it was the IMF's disastrous advice that set the stage for Argentina's crash in the first place. Third and most decisively, this was at the very height of the impact of the global justice movement: the IMF was already the most hated institution on the planet, and willfully destroying what little remained of the Argentine middle class would have been pushing things just a little bit too far.

So Argentina was allowed to get away with it. After that, everything was different. Before long, Brazil and Argentina together arranged to pay back their outstanding debt to the IMF itself as well. With a little help from Chavez, so did the rest of the continent. In 2003, Latin American IMF debt stood at \$49 billion. Now it's \$694 million Asia followed. China and India now both have no outstanding debt to the IMF and refuse to take out new loans. The boycott now includes Korea, Thailand, Indonesia, Malaysia, the Philippines and pretty much every other significant regional economy. Also Russia.¹

Remember, though, Domhoff's earlier classification of liberals—the “sophisticated conservatives,” or what the corporate liberal school called “business liberals”—as part of the capitalist ruling elite. Their starting assumptions are generally capitalist; they operate from the Progressive premise that class conflict can be transcended through the proper application of enlightened managerial expertise, resulting in a system in which capital is guaranteed reasonable profits and stability and the working class gets a living wage. And the actual legislation is drafted by those running the system, not by those applying the pressure.

So two things are simultaneously true: it does make a difference, when it comes to reforms that make things more tolerable for the working class and marginalized, for liberals to be in office; but no matter how well-meaning, these liberals are more likely to interpret their good intentions and the perceived interests of their constituents in terms of the capitalist values they were enculturated into, and to craft their reform proposals in terms acceptable to their fellow members of the ruling class once in power.

While the power elite may respond to pressure from below, “they have been doing so on their own terms. It is the power elite who take the overall view.... In short, it is the power elite that develop the plans to deal with the pressures of domestic discontent.”²

The Question of Actual Representation, and the Iron Law of Oligarchy. But despite all this, there have been cases in which the combination of political destabilization and outside pressure have been sufficient to bring an intrusion of previously unrepresented outside interests into the ruling circles, and even completely supplant the top layers of the state apparatus with a new, avowedly revolutionary leadership. Even in the normal election process in a formally democratic state, as we already saw of liberal Congressmen elected from urban working class constituencies in the 1934 midterms, it's possible that people who see themselves as outsiders will be elected into policy-making circles. In that particular case, they were mostly reformist liberals who adhered to a progressive variant of the capitalist ideology, and saw their role as achieving a class consensus between workers and capitalists; and in any case they remained a minority whose options were limited by the need for a coalition with one or another wing of capital. But it's at least plausible to envision a crisis situation so severe that a majority of radicals is swept into a legislative body. For example, we'll consider the example of Germany below, in which the shock of defeat in 1918 was sufficient to bring a coalition of Social Democrats and council communists to power.

¹*Ibid.*, p. 22.

²Domhoff, *The Higher Circles*, p. 250.

So another question logically follows: If at some point mass pressure becomes sufficient to result in the actual representation of previous outsiders in the state, are these representatives within the state amenable to continued mass control from outside?

The weight of historical evidence indicates that the answer is no. The point at which representatives of previously outside constituencies begin to occupy a majority of seats at the table is roughly the point at which the “outsiders” occupying those seats become insiders.

It seems quite unlikely that the working class, or a popular majority, as such, even *can* act as a direct participant through its representatives inside the state apparatus. Working class representatives who control the state apparatus become, by that very fact, a ruling class in their own right regardless of whom they nominally represent.

C. Wright Mills referred to the assumptions of thinkers like Gaetano Mosca and Robert Michels, who ruled out the possibility of any genuine form of representative democracy.

...It's the power of organization that enables the minority always to rule . . . The first thing that has to be straightened out: just what is the meaning of 'organized'? I think Mosca means: capable of more or less continuous and co-ordinated policies and actions. If so, his thesis is right by definition. He would also say, I believe, that an 'organized majority' is impossible because all it would amount to is that new leaders, new elites, would be on top of these majority organizations . . .¹

There are powerful reasons for believing that this is true—that the state, or any other centralized hierarchy, is not amenable to genuine control by an outside majority.

It is inherent in the nature of organization, as Robert Michels said, that the state “cannot be anything other than the organization of a minority” or ever “be truly representative of the majority.” Hierarchical, representative organization, by its very nature, “gives birth to the dominion of the elected over the electors, of the mandataries over the mandators, of the delegates over the delegators.” The fact of representation inevitably leads to oligarchy. By this law, “every organ of the collectivity, brought into existence through the need for the division of labor, creates for itself, as soon as it becomes consolidated, interests peculiar to itself.”²

Michels’ quote in the last sentence of the previous paragraph, as stated, has a rather sinister sound to it, suggesting those in the state are guilty of conscious betrayal of their supporters, or of their democratic ideals. Further, Michels’ own account of historical case studies throughout the book often strongly implies this. But while this may be true in many cases, such a sinister reading is by no means necessary.

The process occurs automatically, even without evil intent. Regardless of working class social origins or anti-capitalist ideology, and regardless of having been elected by workers, state functionaries—once inside the state—find themselves viewing the world from a fundamentally different situational perspective, and confronting a different set of problems. In this new perspective they hold, they differ both from themselves before entering government, and from their constituents who remain on the outside.

By definition, by the nature of things, the minority on the inside of a governing hierarchy and the majority on the outside will experience the world in fundamentally different ways, even if they share a common origin.

First of all, in purely positional or procedural terms it will be difficult for those on the outside to exercise genuine oversight and control over those on the inside. Those who control an organization from the inside will have an advantage in terms of time, energy, and attention over those to whom they are nominally responsible. For those in the outside majority, participating in political activity aimed at influencing the state is at most—even among the most zealous and dedicated—a matter for an hour or two of spare time, after attending to work, family, friendships, and other concerns of daily life. This translates, for those on the inside,

¹C. Wright Mills, *The Sociological Imagination* (New York: Grove Press, Inc., 1959), p. 203.

²Robert Michels, *Political Parties: A Sociological Study of the Oligarchical Tendencies of Modern Democracy*. Translated by Eden and Cedar Paul, with an introduction by Seymour Martin Lipset (New Brunswick: Transaction Publishers, 1999), pp. 353, 365.

into an advantage in the power to set agendas and frame the terms of debate so quantitatively superior that it amounts to a qualitative advantage.

Second, the basic content going into decisions, in terms of supporting data and sources of influence, will be different for those on the inside. Even in a nationalized economy, and an avowedly socialist government, those at the helm of the state will necessarily be confronted into the indefinite future by the same career bureaucrats of state and the career managers of industrial corporations who held their positions before the change of regime. Even assuming no intent to sabotage, these apparatchiks will play an unavoidable role in filtering the information that reaches those at the top, and in framing the choices available to the political leadership.

The cumulative pressures presented by career state and managerial bureaucrats will be of the type structuralist Marxists describe as structural constraints on state power, operating regardless of the leadership's ideology. The same is true of other structural imperatives, like the threat of capital flight, and all the pressures presented from outside by the world capitalist system, and the imperative of retaining "working class power" in the face of hostile foreign powers or (if the regime remains a multi-party representative democracy) domestic political parties. The process by which the leadership adjusts its priorities, and its sense of what's realistic and possible, will be both inevitable and largely unconscious.

There are numerous cases throughout history in which, if the capture of the state by working class representatives were sufficient to institute genuinely democratic socialism, it would have been a done deal. At times, the degree of popular pressure from outside has forced much larger concessions than anything in the New Deal, when ruling elites saw them as the only alternative to the real possibility of violent overthrow—to the point that nominally avowed anti-capitalists actually comprised a majority of the government.

Michael Mann describes such a situation in the case of the conservative monarchical regime negotiating with Social Democrats in the immediate aftermath of the German surrender in WWI.

The [old regime], vividly fearing a repeat of the Bolshevik Revolution, started negotiations with the leaders of the majority reformist faction of the Social Democratic Party (SPD) to forestall the ultraleftist Karl Liebknecht and revolutionary shop stewards from proclaiming a "Bolshevik" Government Prince Max of Baden, the last imperial chancellor, formally handed over his powers to SPD Chairman Friedrich Ebert, a former leatherworker

...Nobody could be certain of the workers' and soldiers' councils intentions, and many among the old regime and the bourgeoisie feared that Bolshevism would deprive them of their power and property Momentarily lacking coercive powers, the propertied classes were prepared to compromise to avert disaster

Big employers had taken initiatives as soon as they realized the monarchy would fall. A few had learned compromise from wartime cooperation with unions, but fear of Bolshevism was their biggest motivation, so the rhetoric and actions of the revolutionary Socialists were very useful to the reformists Employers said they would recognize unions as the representatives of labor, establish factory workers committees, and institute labor exchanges and mediation committees on the basis of equal representation. In return, they asked the unions to agree to "the maintenance of the economy," meaning the maintenance of capitalism and managerial powers. Two weeks later, employer representatives conceded an eight-hour day, collective wage agreements, and the end to subsidies to "yellow unions." These were traded for the right of management to run their own businesses. The employers "bought time for capitalism." The concessions constituted most of the prewar labor movement's program, and the unions accepted the deal.¹

The apparent changes, initially, appeared quite radical:

The SPD leaders now combined public negotiations with those to its left—the councils, shop stewards movement, and USPD—over how much socialism should be injected into the new Republic, and private conversations with old regime notables. On November 10, Chancellor Ebert and the USPD agreed on the composition of the Provisional Government. They would have equal represen-

¹Mann, *The Sources of Social Power*, Volume 3, pp. 193-194.

tation on the Council of Peoples' Representatives, supervised by an Executive Council picked by workers' and soldiers' councils—revealing how strong the left was now assumed to be.¹

But then what happened? Even in this extreme situation, the Social Democratic regime quickly found its loyalties shifting toward the military and other entrenched state bureaucracies, and against its erstwhile allies and coalition partners on the left.

However, on returning to his palace Ebert, in the traditional telling of the story, was called to the telephone to speak with Ludendorff's successor, General Groener, the principal negotiator with labor during the war. Groener later recollected that their conversation went along these lines: "The officer corps could only cooperate with a government which undertook the struggle against Bolshevism.... Ebert had made up his mind on this.... We made an alliance against Bolshevism.... There existed no other party which had enough influence upon the masses to enable the re-establishment of a governmental power with the help of the army."

Thus, capitalism, landownership, the army, and the civil service were preserved in exchange for a political democracy, welfare reforms, and industrial conciliation. The SPD leadership was for reform anyway, but its contacts with the old regime constrained its freedom of leftward manoeuvre. The decisive power arena lay inside the military. The soldiers' councils wanted the armed forces to be more democratic, with no brutal discipline, and with elected officers sharing administration with elected committees. They declared themselves ready to fight to achieve these goals, and they could have overpowered the Freikorps and other bands of rightist veterans now roaming the country. Who would control the official army of 100,000 men permitted by the Versailles Peace Treaty remained unclear. If Ebert had been more radical, he would have asked the high command to hand over its powers to him while he organized its successor. He also failed to reform the higher civil service or the judiciary, which remained a reactionary force, often disallowing Weimar social rights legislation during the 1920s. The SPD understood economic power, saw political power as parties and elections, and neglected the bureaucracy, judiciary, and military. Reform did not extend to these spheres a highly imperfect revolution even of politics. Ebert saw the soldiers' councils not as an ally, but as a threat. Revolution was not what the majority SDP leaders had in mind; they needed the army and judiciary to protect themselves from both right and left.²

The socialist Left—the USPD, shop stewards, Spartacists, workers' councils, etc.—split with the rest of the socialist movement in the Ebert coalition. Despite their lack of any real organizational base outside Berlin, they proclaimed a Council Republic in January 1919, which was brutally repressed by the Freikorps with the support of Ebert.³

The cases are almost endless in which the radical leadership of revolutionary regimes found themselves captured by the institutional logic of the bureaucracies and industries they were required to oversee, or faced with the necessity of managing the population they supposedly represented.

This was true of the imperatives of power in Bolshevik regime, which found itself compelled to disband workers' committees in the factories, enforce strict one-man management, adopt Taylorist scientific management, and transform the soviets—supposedly the authorities to whom the central government was responsible—into transmission belts for policies set by higher organs of Party and state. It was true of the anarcho-syndicalist CNT union, after seizure of control of most factories in areas like Catalonia where Franco's July 1936 coup attempt had failed, which faced the necessity of imposing work discipline on its members in the interest of war production.

In the UK, Mann relates, the wartime electoral power of the Labour Party resulted in significant structural compromises by the Tories and sweeping power gains by the Atlee government after the war ended.

The Labour Party and union leaders were immediately invited into wartime government because the very survival of Britain was threatened. This was never true of the United States. Neither Germany nor Japan could hurt the continental United States. The alternative in Britain to intense class cooperation was probably Nazi rule. Churchill's distinctive belligerency also mattered, for he was

¹*Ibid.*, pp. 194-195.

²*Ibid.*, p. 195.

³*Ibid.*, pp. 195-197.

fighting not only to protect the country but also the Empire (always capitalized). Thus he wanted the conduct of the war to remain in safe proimperial Tory hands. This meant that he had to give most civilian ministries to the Labour and Liberal Parties.

Labour and the unions then made sure they would not be betrayed again, as in the first war, when most of the promises of postwar reform made to the British people had been broken afterward. So cabinet ministers developed the plans leading to the postwar welfare state, and Liberal intellectuals like Keynes and Beveridge helped them.¹

Nevertheless, the structural reforms of the Atlee government were entirely compatible with the long-term interests and stability of the capitalist system. And in keeping with elite theory—as we saw in a previous chapter—the “social democrats” running the state apparatus quickly discovered they had more in common with the existing managerial culture of the industries over which they assumed control than with the workers they ostensibly represented.

So voting has at least some influence on policy formation. The election of liberal politicians makes some difference in how the class state responds to pressure from below. At times, electoral politics may make a difference in which faction of the ruling class comes out on top politically, and has the dominant role in making policy.

The Democratic sweep of the presidency and Congress in the early ‘30s was clearly of considerable importance in determining how the American state combatted the Depression. It’s hard to dispute that the policies formulated by corporate liberals under FDR differed significantly from those that would have prevailed under the business conservatism of the GOP.

But the limits of popular influence were also very real. Corporate liberalism still represented the agenda of one wing of the ruling class, and its policies were aimed at accommodating public pressure sufficiently to head off disorder and restore the system on a more stable basis while serving the ends of the wing of capital it represented.

And bear in mind that gains achieved through electoralism and public pressure are always vulnerable to rollback, if they don’t translate into structural changes outside the state. If rising popular pressure from outside/below forces a state response, the decline in such external pressure has the opposite effect. It gives ruling elites the buffer they need to enact anti-popular policies. To quote Mann again:

In the North..., though workers in expanding sectors like transport and public services held on to or increased their collective powers, the new high-tech revolution centered in electronic communications industries was not labor-intensive, while the expanding private service sector had smaller establishments, more casual and flexible employment, and so lower unionization Politicians concluded that there was less need to placate the unions. With the collapse of communism there was also less electoral pressure on socialists from the far Left. Pressure seemed to be only from the Right, and so ostensibly leftist parties moved into the center, as the British and American parties had....

This was the end of the long postwar period of the grand class compromise spearheaded by the center-Left. Power within capitalism was becoming more asymmetric, as working-class organization remained at the level of the individual nation-state, and also declined, while the capitalist class became more globally organized. This asymmetry emboldened neoliberals, capitalists, and conservatives alike.²

In more ordinary times, of course, when public pressure is *not* great, elected officials of both parties tend to pay more attention to the opinions of donors and lobbyists than to those of voters. Senators’ votes

were much more in line with their own views than with those of their constituents. They sometimes deferred to the opinions of the affluent but did not care at all what the lowest third of the income distribution thought

¹Mann, *The Sources of Social Power, Volume 4*, pp. 56-57.

²*Ibid.*, pp. 155-156.

Redistributive politics requires popular mobilization. The main traditional pressure group for more equality has been the labor union, yet by 2008 American labor union membership was down to 12.4 percent across all non-agricultural sectors, and a tiny 7.6 percent in the private sector.¹

The Empire Strikes Back. Beyond that, capitalist elites have ways of combating public pressure when the public's demands are too radical to be accepted.

One way is by "manufacturing consent." As Alex Carey put it, mass propaganda in the interests of the ruling class became necessary in the 20th century to protect the power structure against the threat from mass democracy. The American public, just as much as any foreign state, was an enemy to be carefully managed.

The science of propaganda, Carey writes, occupies the most importance and is most highly developed in formal democracies with universal suffrage, because it is there that the institutions of power face the greatest danger from a public whose opinions are not properly managed. Propaganda in totalitarian regimes is far cruder than in countries like the United States.²

The twentieth century has been characterized by three developments of great political importance: the growth of democracy, the growth of corporate power, and the growth of corporate propaganda as a means of protecting corporate power against democracy.

There have been two principal aspects to the growth of democracy in this century: the extension of popular franchise (i.e. the right to vote) and the growth of the union movement. These developments have presented corporations with potential threats to their power from the people at large (i.e. from public opinion) and from organized labour. American corporations have met this threat by learning to use propaganda, both inside and outside the corporation, as an effective weapon for managing governments and public opinion.³

Starting from the baseline, American culture possesses—to a much larger degree than any other Western multi-party democracy—a reservoir of enormously powerful symbols which can be appealed to and manipulated by elites in time of stress. The cult of patriotism, and emotional attachments to symbols like the Flag and Troops, exist at a far more intense level than in any other Western country.

The most cursory acquaintance with American political propaganda will suggest that the psychological power of almost all such propaganda derives from a calculated exacerbation of American national sentiments. Notions like the American Way of Life, the Meaning of America, the Spirit of America, become symbols with the irrational power of the Sacred, and from an equally calculated exacerbation of American apprehension about the 'alien ideology' of communism and all its allegedly un-American characteristics, communism/socialism, etc., become symbols of the Satanic. So long as these symbol-identifications can be maintained in popular sentiment it is a simple matter to curb popular demand and support for significant reform of the institutions and conditions of American society. By associating welfare provisions and other (selected) government interventions with Socialism/Communism and conversely the Free Enterprise System with Loyalty, Patriotism, Freedom, the American Dream, the American Way of Life, propagandists are doing no more than manipulating appropriate Satanic and Sacred symbols.

The manipulation of patriotic and nationalist sentiments has, above all else, given American anti-communism its remarkable psychological force as a means of social control. Peacetime 'patriotic' hysteria such as characterized the McCarthy period is a phenomenon largely peculiar to the United States among Western countries which have any extended experience with democratic forms of government.⁴

There were largely uncoordinated, albeit powerful, propaganda efforts in the United States from the late 19th century on, motivated by elite perceptions of a workforce increasingly radicalized by "foreign" ideologies like socialism and anarchism. This elite panic was further heightened by the wave of radicalism during the depression of the 1890s—Coxsey's

¹*Ibid.*, p. 340.

²Alex Carey, *Taking the Risk Out of Democracy: Corporate Propaganda versus Freedom and Liberty* (Champaign, Ill.: University of Illinois Press, 1995), p. 12.

³*Ibid.*, p. 18.

⁴*Ibid.*, p. 16.

Army, the Pullman Strike, the Western Federation of Miners, etc. The response, in the period from the '90s through the period immediately after WWI, was a massive effort aimed at promoting "Loyalty" and "100 Americanism."

But as a science, the development of mass propaganda dates from the engineering of public support for World War I in both Britain and the United States. In the United States, this was accomplished by the Committee on Public Information (Creel Commission). The term "engineering of consent" was actually coined as the title of a 1947 article by Edward Bernays, a former member of the Creel Commission who also founded mass advertising in its modern form after WWI.¹

This web of communications [the mass media of the mid-20th century], sometimes duplicating, crisscrossing, and overlapping, is a condition of fact, not theory. We must recognize the significance of modern communications not only as a highly organized mechanical web but as a potent force for social good or possible evil. We can determine whether this network shall be employed to its greatest extent for sound social ends.

For only by mastering the techniques of communication can leadership be exercised fruitfully in the vast complex that is modern democracy in the United States.²

But while it is of course incumbent on leaders to use the tools available for engineering consent in a way that promotes good rather than evil—something we can safely assume they do, since it's the leadership of the American Democracy and the Free Enterprise System we're talking about here—it is sometimes necessary to resort to shortcuts in order to get people to consent for their own good.

The engineering of consent should be based theoretically and practically on the complete understanding of those whom it attempts to win over. But it is sometimes impossible to reach joint decisions based on an understanding of facts by all the people. The average American adult has only six years of schooling behind him. With pressing crises and decisions to be faced, a leader frequently cannot wait for the people to arrive at even general understanding. In certain cases, democratic leaders must play their part in leading the public through the engineering of consent to socially constructive goals and values. This role naturally imposes upon them the obligation to use the educational processes, as well as other available techniques, to bring about as complete an understanding as possible.³

And it goes without saying that this complete understanding is one that would result in public acceptance of the obviously correct policies of the leadership of America's Democracy and its Free Enterprise System. So in the meantime, it is necessary for leadership to guide the uneducated toward accepting policies that they would in any case have accepted, had they been properly informed. These policies are, after all, in the National Interest.

Under no circumstances should the engineering of consent supersede or displace the functions of the educational system, either formal or informal, in bringing about understanding by the people as a basis for their action. The engineering of consent often does supplement the educational process. If higher general educational standards were to prevail in this country and the general level of public knowledge and understanding were raised as a result, this approach would still retain its value.

Even in a society of a perfectionist educational standard, equal progress would not be achieved in every field. There would always be time lags, blind spots, and points of weakness; and the engineering of consent would still be essential. The engineering of consent will always be needed as an adjunct to, or a partner of, the educational process.⁴

The techniques of engineering consent, in short, are "among our most valuable contributions to the efficient functioning of modern society." To be sure, they can be used either by authoritarian demagogues and dictators, to mislead people, or by responsible leaders to

¹Edward L. Bernays, "The Engineering of Consent," *The Annals of the American Academy of Political and Social Science*, Vol. 250 (Mar., 1947) <<https://sci-hub.se/10.2307/1024656>>.

²*Ibid.*, p. 113.

³*Ibid.*, p. 114.

⁴*Ibid.*, pp. 114-115.

bring them to a correct understanding. How can we determine which leaders are the responsible ones, and which are the anti-democratic demagogues? The most reliable indicator is that the responsible leaders are located in the United States, and promote the “public interest” (i.e. American democracy and Free Enterprise); the authoritarian demagogues can be identified by their opposition to these things.

The techniques can be subverted; demagogues can utilize the techniques for antidemocratic purposes with as much success as can those who employ them for socially desirable ends. The responsible leader, to accomplish social objectives, must therefore be constantly aware of the possibilities of subversion. He must apply his energies to mastering the operational know-how of consent engineering, and to out-maneuvering his opponents in the public interest.¹

As an example of the proper use of these engineering tools by responsible leaders in the Public Interest, Bernays mentioned the work of the Creel Commission in engineering public support for the obviously correct course of entering WWI.²

It should be readily apparent that responsible leaders, having determined a course of action that is in the Public Interest, must have recourse to all appropriate tools in order to secure public opinion in support of the Public Interest. If left to itself, the public might follow a course of action not in the Public Interest—and then where would be be? As former Clinton “National Security” Adviser Sandy Berger put it over half a century later: “We have too much at stake in Iraq to lose the American people.”

Sarcasm aside, once the United States entered WWI, with the help of the Creel Commission, it became possible under cover of patriotic war fever to carry out mass repression of the Left—first through the War Hysteria, and then the postwar Red Scare. This systematic liquidation of any radical threat to the political system was the work both of state actors like A. Mitchell Palmer, and reactionary paramilitaries like the American Legion.

The tools of propaganda were used in the aftermath of WWI to equate labor unionism with “bolshevism” and “anarchism” in the public mind. It was notoriously effective in its first major test during the Great Steel Strike of 1919.

Five days after the strike began the Steel Corporation launched a campaign of full-page advertisements which urged the strikers to return to work, denounced their leaders as ‘trying to establish the red rule of anarchy and bolshevism’ and the strike as ‘un-American’, and even suggested that ‘the Huns had a hand in fomenting the strike’.³

The National Association of Manufacturers’ propaganda campaign twenty years later, during the unsuccessful CIO strike at the Bethlehem Steel plant in Johnstown, Pa., made similar appeals to “Americanism.” The NAM credited its influence on public opinion for breaking the strike.⁴

But the true heyday of engineering public opinion in the United States was the success of the business propaganda apparatus after WWII in countering the atmosphere of wartime labor radicalism, shifting public perceptions of socialism and organized labor, and rolling back the gains of the labor movement both in Congress and on the shop floor.

The NAM sent out over 18 million pamphlets in the period 1945-1950. “Of this number 41 percent went to employees, 53 per cent to high school and college students and 6 percent (i.e. still more than one million) to community leaders, including ministers of religion and women’s club leaders throughout the entire nation.”⁵ The NAM was joined by a great number of other “business-sponsored organizations that were co-operating to drench the country with anti-communist, anti-socialist, anti-union and anti-New Deal propaganda.”⁶ The cam-

¹*Ibid.*, p. 115.

²*Ibid.*

³Carey, *Taking the Risk Out of Democracy*, p. 22.

⁴*Ibid.*, pp. 25-26.

⁵*Ibid.*, p. 28.

⁶*Ibid.*, p. 29.

paign ranged from mass distribution of Leonard Read's insipid "I, Pencil" pamphlet to public school students, to endless short film reels for theaters and "educational" films for the schools on the wonders of the American Free Enterprise System.

The onslaught of propaganda to the general public was duplicated by corporations internally, with their own workforces as the target.

Corporations realized they could use captive audiences of employees for proselytizing purposes. 'Many of the countries [sic] largest firms', *Fortune* magazine observed in 1950, 'have started extensive programs to indoctrinate employees'. These programs consisted of so-called 'Courses in Economic Education'. They were given to employees during working hours, in groups of ten to twenty, with tests to measure increase in commitment to the free-enterprise system. Sears' Roebuck, for example, took three years to produce its own economic education program, which included a series of films and the training of 2600 'meeting leaders'. In 1952 these leaders conducted 71000 meetings to put Sears's 200000 employees through the course at a total cost of \$6 million. The two leading economic education programs, both 'evangelistic' in temper, were produced by Dupont and Inland Steel. By 1953 they had been used with about nine million employees.

A survey of corporations by the American Management Association (AMA) found 'a good number of respondents actually stated that "propaganda" and "economic education" are synonymous in their companies. 'We want our people to think right.' Communism, socialism and particular political parties and unions, the AMA reported, 'are often common targets of such campaigns', which 'some employers view ... as a sort of "battle of loyalties" with the unions'.¹

The propaganda campaign arguably played a large part in the shift in public sentiment that led to the GOP's recapture of Congress in the 1946 election, and thus to the passage of Taft-Hartley.

Another major victory for capitalist propaganda was the New Right ascendancy from the late 70s on, which averted or coopted the threat of a left-populist movement against corporate power.

In the United States in the 1970s, for several years after the collapse of Consensus Capitalism, there appeared to be potential for an alternative path based on further exploiting the disintegration of the New Deal labor accord and pushing further left with a refusal of work, subversion of the wage system and capital accumulation, etc., and promotion of decentralist, left-libertarian models of organization. These possibilities were exemplified by phenomena like Harry Boyte's *The Backyard Revolution, Radical Technology*, the People's Bicentennial Commission and their *Common Sense II*, and a wide variety of policy experiments with employee ownership and self-management.

Instead the danger from this nascent decentralist and populist movement was headed off, and coopted, by the fake populism of the New Right: Howard Jarvis's tax revolt, Richard Viguerie's conservative direct mail campaigns, the social reaction of Phyllis Schlafly and Jerry Falwell, and the election of the ultimate fake populist, Ronald Reagan.²

Another way of countering majority electoral power is rigging the rules of electoral politics themselves.

What has especially puzzled analysts is how few Americans seemed to mind grossly widening inequality. Since America is a democracy, why no backlash at the polls? Polls show that most Americans are aware that inequality has greatly widened and they believe the rich should pay more taxes. They espouse some abstract conservative principles, believing in individual responsibility, free enterprise and the American Dream, but they also embrace government programs of greater equality, particularly those that provide social security and educational opportunities for all. Most Americans, whether they vote Democrat or Republican, favor government intervention in health care, education, and provision of jobs, and say they are even willing to pay higher taxes for them. In these respects they do not differ much from the citizens of other advanced countries. Americans also say that if cuts are made in expenditures, they should come first in defense, not in social programs. Yet none of this translates into political action. Why not?...

¹*Ibid.*, pp. 29-30.

²This is a modified version of a passage from my previous book, *Exodus: General Idea of the Revolution in the XXI Century* (2021).

It might be that class-based voting has declined. But this is not true, since the correlation between class and voting actually increased since the 1970s. Republicans got more of the votes of the rich, Democrats more of the poor. However, there is a difference in who gets to vote. Lower turnouts among the poor and immigrants hurt the Democrats and any redistribution to the poor.¹

Gerrymandering and vote suppression are also central to the ruling class's anti-democratic strategy. They had already been increasingly important in the period before Mann published his fourth volume (2013), from which the above quote was taken. But they have grown even more rapidly in the years since. In the average Red or Purple State, Democrats must get significantly over 50% of the vote in order to gain control of the legislature, and rural overrepresentation makes both the Senate and the House considerably more Republican than the electorate. The effect of equal representation of low-population, rural states in the Senate, likewise, skews the Electoral College towards Republicans so that two of the past three Republican victories have come with minorities of the popular vote.

Postscript to Part One

Having surveyed the various theories of the class nature of the state in previous chapters, I'm more inclined to see their insights as complementary than as mutually exclusive. It strikes me that the best working approach is a synthesis that treats the state as an instrument of a ruling class in the broadest sense—but interpreted in a way that leaves plenty of room for the areas of commonality with structuralism and state autonomism.

Ironically, one of the best demonstrations of what such a nuanced, eclectic approach might take comes from Ralph Miliband. I say “ironically,” because Miliband is classified by the structuralists and autonomists as a primary figure in the instrumentalist school against which they define their own positions.

Although Miliband is closely associated with instrumentalism, he is the first to stress the value of structuralism and autonomism in developing aspects of state theory otherwise in danger of being left out by a crude or doctrinaire version of instrumentalism.

On the one hand, the instrumentalist approach emphasizes “the pressures which economically dominant classes are able to exercise upon the state and in society; and the ideological congruence between these classes and those who hold power in the state.” The structuralist approach

emphasises the ‘structural constraints’ to which the state is subject in a capitalist society, and the fact that, irrespective of the ideological and political dispositions of those who are in charge of the state, its policies must ensure the accumulation and reproduction of capital. In the first approach, the state is the state of the capitalists; in the second, it is the state of capital.

The biggest takeaway is that, for Miliband, “the two approaches are not exclusive but complementary.”

Regardless of the actual nature of the constraints, however, what they have in common is a view of the state constrained by pressures from outside.

This leaves out of account a very large part of the Marxist view of the state, as conceived by Marx and Engels. For they attributed to the state a considerable degree of autonomy.

Miliband cites, in particular, Marx's and Engels' treatment of Bonapartism—a good example of which is Engels' observation that “periods occur in which the warring classes balance each other so nearly that the state power, as ostensible mediator, acquires, for the moment, a certain degree of independence of both.”² And the Marx-Engels analysis of Bonapartism, according to Miliband, articulates “an important concept about the state, namely the degree to

¹Mann, *The Sources of Social Power, Volume 4*, p. 336.

²Ralph Miliband, “State, the,” in Tom Bottomore, ed., *A Dictionary of Marxist Thought* (Cambridge, Mass.: Harvard University Press, 1983), p. 465. Engels Origin of the Family ch. 9.

which it represents the interest of those who actually run it [T]he quasi-autonomous Bonapartist state seeks to serve its own interest as well as that of capital.”¹

Indeed, he goes so far as to say the Marx-Engels treatment of Bonapartism, and of the “Asiatic mode of production,”

come very close to suggesting not only that the state enjoys a ‘relative autonomy’, but that it has made itself altogether independent of society, and that it rules over society as those who rule the state think fit and without reference to any force in society external to the state In fact, the ‘Marxist theory of the state’, far from turning the state into an agency or instrument subordinate to external forces, sees it much more as an institution in its own right, with its own interests and purposes.²

Nevertheless, even if Marx and Engels “come very close” to a position of total autonomy, Miliband stops short—as do Marx and Engels, presumably, in his interpretation—of denying the capitalist character of the state. Just as Miliband sees structuralism and instrumentalism as more complementary than do Poulantzas et al, he also sees state autonomism and instrumentalism as more complementary than Skocpol et al. Despite its claim to transcend class interest and speak for all classes in society, “the real task of the Bonapartist state was to guarantee the safety and stability of bourgeois society, and to make possible the rapid development of capitalism.”³ The relative autonomy of the state

does not contradict the notion of the state as concerned to serve the purposes and interests of the dominant class or classes: what is involved, in effect, is a partnership between those who control the state, and those who own and control the means of economic activity [So rather than] a merger of the political and economic realms, ... the real position is one of partnership, in which the political and economic realms retain a separate identity, and in which the state is able to act with considerable independence in maintaining and defending the social order of which the economically dominant class is the main beneficiary

A major function of the state in its partnership with the economically dominant class is to regulate class conflict and to ensure the stability of the social order.⁴

I would add that even total state autonomy does not necessarily contradict the class nature of the state. There is much validity to models of the Soviet class structure, such as Rosa Luxemburg’s “state capitalist” and the Schachtmanites’ “bureaucratic collectivist,” in which the state is fully autonomous, and those who control the state apparatus become the dominant class in their own right.

Hence we can say the modern state is, in its nature, an instrument of class rule—whether the ruling class be nominally “private” or it be the state itself.

¹Ralph Miliband, “Bonapartism,” in Tom Bottomore, ed., *A Dictionary of Marxist Thought* (Cambridge, Mass.: Harvard University Press, 1983), p. 53.

²Ralph Miliband, “State, the,” in Tom Bottomore, ed., *A Dictionary of Marxist Thought* (Cambridge, Mass.: Harvard University Press, 1983), pp. 465-466.

³Ralph Miliband, “Bonapartism,” in Tom Bottomore, ed., *A Dictionary of Marxist Thought* (Cambridge, Mass.: Harvard University Press, 1983), p. 53.

⁴Ralph Miliband, “State, the,” in Tom Bottomore, ed., *A Dictionary of Marxist Thought* (Cambridge, Mass.: Harvard University Press, 1983), p. 466.

A General Survey of the Ground: Accelerationism, Saviorism, and the “Reformist” Enemy

During the past two presidential election cycles in the United States, I've been witness to several recurring themes among certain segments of the Left. They all center on the general claim that both major U.S. political parties are equally bad, or at least both sufficiently bad as to render the notion of a “lesser evil” incoherent, and that it's therefore necessary to withhold support from them to avoid complicity.

In one version—the ultra-left or revolutionary form—the argument takes the form of a claim that the Democrats are “just as bad as the Republicans” and that, since both are capitalist parties, voting for either party is a reformist compromise with capitalism that cannot lead to fundamental change in the capitalist system. It follows that the proper approach is to eschew electoral politics altogether and focus on building the forces for an insurrectionary rupture—“Revolution.”

Another version, somewhat less far to the left, is more optimistic about the prospects for fundamental change—e.g. democratic socialism—through electoral politics within the existing system. This version, while equally dismissive of the mainstream Democratic establishment, rests some hope for change either in an uncompromising intra-party insurgency like that of Bernie Sanders, or in abandoning the Democratic Party completely for some socialist alternative like the Green Party. The intra-party insurgency version, bear in mind, is not simply backing a radical candidate in the primaries in order to push the party left, in hopes of a leftward shift as Millennials become its primary demographic, and then voting for whoever the nominee is in the general election—which would be a fairly realistic strategy. The idea, rather, is a strategy of “Bernie or Bust”—either vote Green or don't vote at all if the establishment candidate gets the nomination.

In either case, it's hard to reconstruct a plausible victory scenario from the rhetoric of either version's adherents.

In the case of the first version, which I will call accelerationist, the scenario they envision is presumably something like:

- 1) Leftists boycott the electoral process;
- 2) A Republican Party dominated by MAGAs or worse wins, and the Democratic Party for all intents and purposes collapses;
- 3) ?????;
- 4) Revolution!

The second, or saviorist, version's slightly less apocalyptic scenario appears to be:

- 1) Stay home or vote Green if the insurgent candidate doesn't get the nomination;
- 2) The fascists win and the Democratic Party is routed (just as in the previous

scenario):

3) Either a properly chastened DNC establishment starts listening to the left-wing insurgency in order to win elections, or the Democratic Party disintegrates altogether and is supplanted by the Greens or some other third party, just as the Republicans supplanted the Whigs;

4) **Social Democracy!**

Such arguments result from a mistaken view of what electoralism or political engagement with the state can achieve, and what it can't.

Even in the rosiest scenario of a successful revolutionary seizure of power or a democratic socialist victory at the polls, the ostensible takeover of the state by a working class movement will take one of three courses:

1) It will entirely supplant the previous classes in control of the state, and in turn will become a ruling class in its own right, claiming to represent the working class (which Michels described in his analysis of working class parties, and as others have likewise theorized in models of the USSR, as a new state capitalist or bureaucratic ruling class).

2) It will claim to represent working class interests while cutting a deal with the existing class coalition controlling the state, and amalgamating itself with those classes (which the Labour Party did to some extent under Atlee, and which the socialists do entirely in Hilaire Belloc's Servile State scenario).

3) In the best case scenario, the leadership will be sufficiently influenced by their original ideology to adopt some ameliorative reforms—although severely constrained by their own situational perspective on what is “realistically” possible—that make it somewhat easier for the real work of postcapitalist transition to go on in the outside society. This is what the Atlee government also did, to some extent, and what a Corbyn government would likely have done to an even greater extent.

In other words, what some denounce as “reformism” or “lesser-evilism” is the *best* case. Expecting to achieve anything beyond that through electoral politics is a fool's errand.

Much of the disagreement on the Left about the role of electoral politics—again—results from the lack of a common understanding of its purpose.

Those who reject “reformism” and “lesser evilism,” and mock the related concept of “harm reduction,” have a fundamentally flawed view of what can be achieved through electoral politics, and what its goal is. It is a mistake to view electoral politics as the primary means of pursuing progressive change. Voting for the “lesser evil” is not necessarily “liberal” or “reformist”; rather, it is fully compatible with an interstitialist approach that sees the development of counter-institutions outside the state as the primary means of building the successor society. The purpose of electoral politics is not to build the successor society, but to create the least unfavorable background conditions for doing so, and the least hostile state and most benign environment that are feasible at any given time.

In this view, one votes the lesser evil—e.g., voting for an establishment Democrat against Trump—in order to stave off the worst of the immediate fascist threat and buy time, and to create breathing space for the primary project of building counter-institutions. Maia Ramnath, in describing her recent vote in the presidential election, explains this motivation quite well:

To me, it didn't feel like reformism, or selling out, or settling for increments, or acquiescence to a problematic system, or “harm reduction” in the sense of adjusting to the ongoing existence of the source of harm. It felt like forming a provisional united front among radicals, progressives, leftists,

and liberals in the face of rising fascism, as was experienced in the 1930s and 1940s. It felt like teaming up, all hands on deck in a desperate emergency, in the way that you wouldn't ask about ideology when trying to put out a fire or turn a car from hurtling over a cliff or stop a gunshot victim from bleeding out. It felt like a last-ditch defensive measure, linking arms against impending destruction. It felt starkly necessary and utterly insufficient.

In this sense it was a negational act, not a generative one. This vote in itself would not lead to emancipation, abolition, transformative justice, equality, sustainability, cultures of creative potential, horizontality, mutuality, participatory nonauthoritarian social organization, degrowth, redistribution, ecological sustainability, interrelational community, or—in Eric Laursen's words—“a directly democratic system that can then address our problems honestly and equitably” and allow people who fall outside of the State's Core Identity Group to determine their own futures free of violence. It would not decolonize a settler regime. It would not remove capitalism or extractive industry. But it might just counter the incipient annihilation of any conditions of possibility for seeking all those things.¹

So while promoting candidates like Sanders or Corbyn is worthwhile as a long-shot effort at creating an especially favorable environment—who wouldn't prefer pursuing interstitial development against a background of universal healthcare, basic income, drastically reformed copyright, or cooperatively-governed public services?—even replacing Trump with someone who is not Trump is a real and significant improvement. To argue otherwise entails either some accelerationist assumptions (“the worse, the better,” etc.), or some Dirtbag Left assumptions (the “shitlibs” are just as bad as fascists, the scary stuff Trump allegedly did is all just “a big nothing-burger,” etc.), that do not bear much scrutiny.

To hope for more virtually guarantees betrayal. The state, insofar as it is a state, is the instrument of rule of a minority over a majority. It cannot be anything else without, to the same extent, ceasing to be a state. It cannot be directly controlled by the ruled.

On the other hand, to claim that electoral engagement is worthless because it cannot serve as the vehicle for systemic transition, or that it doesn't matter which of the two major parties is in power because they're both capitalist parties, is utterly puerile. It's just plain asinine to say there's “no difference” between the two major parties in the U.S. Even as diehard an anti-electoralist as the Center for a Stateless Society's William Gillis—in the course of an article titled “The Case Against Voting,” no less—has no problem admitting that: “Unless you're gonna roll the very long odds on a type of accelerationism, a bumbling centrist would be better than literal Hitler.”²

The accelerationist strategy itself is utterly unrealistic on its face, and amounts to little more than wishful thinking. As Stephen Eric Bronner put it: “The slogan of ‘the worse the better’ has always been a losing proposition: the belief that intensified repression or exploitation will somehow automatically produce a progressive response is an illusion.”³ Marx himself, as Benjamin Noys points out, was far from dismissing electoral or reform efforts as “mere” reformism:

Marx welcomed worker struggles to reduce the working day and to struggle against the despotism of the factory; he did not argue that it would be better if factory conditions got worse so workers would be forced into revolt. The fact that history advances by the bad side does not mean we should celebrate the ‘bad side’, but rather recognize this is the ground on which we struggle, which must be negated to constitute a new and just social order.⁴

¹Maia Ramnath, “Foreword” to Eric Laursen, *The Operating System: An Anarchist Theory of the Modern State* (AK Press, 2021), pp. 6-7. Pagination from pdf version hosted at Library Genesis <<http://library.lol/main/912EF205ECC40107C200BA30EC80A40F>>.

²William Gillis, “The Case Against Voting,” Center for a Stateless Society, November 20, 2018 <<https://c4ss.org/content/51460>>.

³Stephen Eric Bronner, “Red Dreams and the New Millennium: Notes on the Legacy of Rosa Luxemburg,” in Jason Schulman, ed., *Rosa Luxemburg: Her Life and Legacy* (New York: Palgrave Macmillan, 2013).

⁴Benjamin Noys, *Malign Velocities: Accelerationism and Capitalism* (Winchester, UK and Washington DC: Zero Books, 2014). Pagination from online version hosted at Libcom.org <[https://libcom.org/files/\[Benjamin_Noys\]_Malign_Velocities_Accelerationism\(BookZZ.org\).pdf](https://libcom.org/files/[Benjamin_Noys]_Malign_Velocities_Accelerationism(BookZZ.org).pdf)>, pp. 14-15

Ralph Miliband, a Marxist of some note, critiqued the accelerationist dismissal of electoral politics in quite scathing terms. He would have little truck with today's Dirtbag Left or their contemptuous dismissals of "lesser evilism" and "harm mitigation." Those who respond to every new report of corporate collusion, Border Patrol atrocities, or war crimes by the Biden administration with "How's that harm mitigation working out for y'all?" hold the same belief the Comintern used to dismiss the German Social Democrats as "social fascists": the belief, as Miliband mockingly dismissed it, "that because A and B are not *totally* different, they are not *really* different at all."¹

Miliband also denounced the belief, widely shared by accelerationists and saviorists today,

that there is *really* no difference... between Fascist regimes and bourgeois democratic ones. This is what the Comintern 'line' provided as a perspective during a crucial part of inter-war history, with utterly catastrophic results for working-class movements everywhere, and most notably in Germany. It was only at the Seventh World Congress of the Third International in 1935, long after the Nazis had conquered Germany, that Georgy Dimitrov, speaking on behalf of that disastrous organization, gave the official seal of approval to a drastic change of course, and declared that 'accession to power of fascism is not an *ordinary succession* of one bourgeois government by another, but a *substitution* of one state form of class domination of the bourgeoisie—bourgeois democracy—by another form—open terrorist dictatorship'; and he also proclaimed that 'now the toiling masses of the capitalist countries are faced with the necessity of making a definite choice, and making it today, not between proletarian dictatorship and bourgeois democracy, but between bourgeois democracy and fascism'....

Since those days, many different varieties of 'ultra-leftism' have included, as part of their creed, the insistence that there was no real difference between bourgeois democratic regimes and authoritarian ones. That this is an ultra-left deviation seems to me evident. But rather than simply dismiss it as such, one should see it as an expression of the real theoretical and practical problems which the existence of different forms of class state poses to Marxists: not the least of these problems is that, in so far as some of these forms are infinitely preferable to others, choices often have to be made, as Dimitrov said, which involve the defence of bourgeois democratic regimes against their opponents on the right. The terms on which that defence should be conducted has always been a major strategic problem for revolutionary movements, even when they were agreed that the defence itself must be undertaken.

On this latter point, there never was any question for classical Marxism, beginning with Marx and Engels. The latter were not at all taken with bourgeois democracy, and denounced it in utterly uncompromising terms as a form of class domination Also, a recurrent theme in Marx's writings on the subject is how repressive and brutal this form of state can turn as soon as its upholders and beneficiaries feel themselves to be threatened by the proletariat

But when this has been said, it remains true that Marx and Engels saw considerable virtues in bourgeois democratic regimes *as compared with other forms of class domination*, and notably with Bonapartism, to which Marx in particular devoted much attention.²

... [C]rucially important in the approach of Marx and Engels to the bourgeois republican form of state, as compared with other forms of bourgeois state power, was their belief that the former provided the working class with opportunities and means of struggle which it was precisely the purpose of the latter to deny them.³

The proper anarchist strategy for dealing with the state in the transition period is what Gearóid Brinn called "anarchist realism."⁴ Brinn contrasts anarchist realism to the dominant, "anti-realist" strain of anarchism, which "proposes disengagement and defection from the *status quo* with the implied expectation that capitalism and the state could wither away through lack of support and without confrontation."⁵ What Brinn describes seems to be a primarily

¹Miliband, *Marxism and Politics* (Oxford, London, Glasgow, New York, &c.: Oxford University Press, 1977), p. 83.

²*Ibid.*, pp. 75-76.

³*Ibid.*, p. 77.

⁴Gearóid Brinn, "Smashing the state gently: Radical realism and realist anarchism," *European Journal of Political Theory* 0:0 (2019) <<https://sci-hub.se/10.1177/147488519865975>>.

⁵*Ibid.*, p. 7.

evolutionary and interstitialist approach, but one that completely eschews engagement with the state. But most of his critique of anti-realism applies equally well to ruptural or insurrectionary versions of anarchism.

The realist approach, in contrast, “rejects the ‘anti-power/ anti-politics’ perspective and the purist strategy of withdrawal from mainstream politics that it entails.”

Instead it seeks to be realistic and pragmatic in the pursuit of uncompromised goals such as the replacement of the nation-state with another form of social organisation. Therefore it advocates challenging and engaging with current institutions and practices in order to transform and ultimately replace them.¹

In his discussion of a realist approach to engaging with the state, Brinn advocates something along the lines of Gorz’s “non-reformist reforms” (which we will examine in their own right in a later chapter). Realists, to be sure, support non-reformist reforms if they offer to “have a direct effect on alleviating suffering and hardship.” In this, they reject the accelerationist logic of opposing reform on the ground that it “delays the revolution.”

They argue that anarchist opposition to all forms of oppression demands support for efforts towards the effective amelioration of its effects, even if by means of reforms that originate from or are implemented by ultimately illegitimate institutions. This position also rejects the ‘worse is better’ stance of crude radicalism which accepts inaction against suffering in the hope that it will lead to a crisis that precipitates widespread revolution.²

Malatesta argued that all anarchists were in reality “gradualists,” because “anarchism is of necessity gradualist.” Although anarchism in its full-blown form is the goal of all our actions, “quite obviously, such an ideal cannot be attained in one sudden leap . . .”³ This is by no means an argument that we should postpone seeking anarchy until everyone is an anarchist. Just the reverse—wherever anarchists exist, they should attempt to create whatever elements of an anarchist society that are within their power.

This does not mean I believe . . . that to achieve anarchy we must wait till *everyone* becomes an anarchist. On the contrary, I believe—and this is why I’m a revolutionary—that under present conditions only a small minority, favoured by special circumstances, can manage to conceive what anarchy is. It would be wishful thinking to hope for a general conversion before a change actually took place in the kind of environment in which authoritarianism and privilege now flourish. It is precisely for this reason that I believe in the need to organise for the bringing about of anarchy, or at any rate that degree of anarchy which could become gradually feasible, as soon as a sufficient amount of freedom has been won and a nucleus of anarchists somewhere exists that is both numerically strong enough and able to be self-sufficient and to spread its influence locally. I repeat, we need to organise ourselves to apply anarchy, or that degree of anarchy which becomes gradually possible.

Since we cannot convert everybody all at once and the necessities of life and the interests of propaganda do not allow us to remain in isolation from the rest of society, ways need to be found to put as much anarchy as possible into practice among people who are not anarchist or who are only sympathetic.⁴

Although harm minimization is vital in the short run, it is not the primary purpose of engaging with the state. Indeed Brinn calls into question the distinction between “reform” and “revolution” itself and argues that

purist opposition to all reformist struggle is based on an unrealistic hard division between reform and revolution, as revolutions can themselves be seen as ‘the radical reform of institutions, achieved rapidly’. So while recognising the importance of revolutionary rupture and upheaval, they also argue that between such events radicals should take ‘all possible reforms with the same spirit that one tears occupied territory from the enemy’s grasp in order to go on advancing’.

¹*Ibid.*, p. 3.

²*Ibid.*, pp. 9-10.

³Errico Malatesta, “Gradualism (1925),” in Davide Turcato, ed., *The Method of Freedom: An Errico Malatesta Reader* (Oakland, CA: AK Press, 2014), p. 421 (pagination based on pdf conversion of epub document at Library Genesis <<http://library.lol/main/A87AE2E59D13126A2E6FDE631A4D712B>>).

⁴*Ibid.*, pp. 421-422.

However, to the extent that realist anarchists endorse reform, they do so only under certain conditions. Firstly, they support reforms that have the capacity to move directly towards radical goals, or to position for future radical gains. To this end they sometimes invoke a distinction similar to that between 'reformist' and 'non-reformist' reforms articulated by Andre Gorz. Gorz argued, in relation to labour reforms, that some reforms can have the effect of securing the status quo and others can in fact challenge the status quo and serve as progressive steps towards radical change. Likewise, Malatesta claimed that reforms:

either consolidate the existing regime or undermine it; assist the advent of revolution or hamper it and benefit or harm progress in general, depending on their specific characteristic, the spirit in which they have been granted, and above all, the spirit in which they are asked for, claimed or seized by the people.¹ [unindented?]

Malatesta elaborated further on the distinction between reforms that consolidate the power of a regime and those that undermine it:

The oppressed, either ask for and welcome improvements as a benefit graciously conceded, recognize the legitimacy of the power which is over them, and so do more harm than good by helping to slow down, or divert and perhaps even stop the processes of emancipation. Or instead they demand and impose improvements by their action, and welcome them as partial victories over the class enemy, using them as a spur to greater achievements, and thus they are a valid help and a preparation to the total overthrow of privilege, that is, for the revolution. A point is reached when the demands of the dominated class cannot be acceded to by the ruling class without compromising their power. Then the violent conflict inevitably occurs.²

Besides non-reformist reforms that shift the balance of power "under the present system," and lay the groundwork for revolutionary change in the future, Brinn also sees engaging with the state as a way of attempting to change the nature of the state itself. What he advocates is something like the concept of the Partner State (which we will also examine in depth in a subsequent chapter).

Despite this uncompromised goal [replacement of the state as the primary unit of large-scale political organisation]..., realist anarchists recognise the need to engage with current political realities, such as dominant institutions, in pursuit of radical change. Therefore, they attempt to devise strategies that can employ the state in efforts towards its own replacement with alternate forms of democratic organisation.³

This practice of agitating for non-reformist reforms can be taken a step further, to "the radicalisation and democratisation of the institutions of democratic organisation and decisionmaking, to the point where the state is democratically transformed into some other form of large-scale political entity."⁴

Making the state less statelike is part of the strategy. Since "a separate and distinct entity with a monopoly on violence and coercion is the defining element of a state," realists'

approach to anti-statism is not one that advocates simply destroying all forms of formal political institutions, but instead aims to replace the form based on a coercive apparatus distinct from the self-governing populace with a form of social organisation that does not fit that definition.⁵

In keeping with this, realist anarchism also recognizes the system's overall level of oppression as a matter of degree, and judges particular components of the system dialectically in terms of their function within the larger system of oppression. When one part of the system can be used against another in a way that reduces the net statism of the whole, we should do so.

¹Brinn, "Smashing the state gently," p. 9. Malatesta quotes from "Reformism," in Verne Richards, ed., *Malatesta: Life and Ideas* (London, Freedom Press, 1965). Online version hosted at marxists.org <<https://www.marxists.org/archive/malatesta/1920s/reformism.html>>. Accessed December 5, 2021.

²"Reformism."

³Brinn, "Smashing the state gently," p. 14.

⁴*Ibid.*, p. 14.

⁵*Ibid.*, p. 18.

Such a dialectical approach requires “a more complex view of the state... that accepts the modern state is also comprised of many useful social and welfare institutions, some of which should be abolished, but others that must be transformed rather than destroyed in order to bring them into line with radical goals.”¹

Although the state is a fundamentally illegitimate institution, it has not only preempted and coopted legitimate functions. It also exists as the core logic of a larger system of coercive institutions, and is capable of acting on those other institutions in ways that reduce the net coercion of the system. So despite its illegitimacy, “some actions of the state can be positive when they are directed at preventing a relatively greater oppression imposed by another form of illegitimate authority.”

The primary way that the realist anarchist argues that the state can sometimes be considered relatively legitimate (or at least a ‘lesser evil’) is in relation to the tension between opposing both contemporary capitalism and the state simultaneously. There are two main ways that realist anarchists argue this tension can lead to anarchist engagement with, and support for, the state: for protecting people from pressing negative social effects of capitalism; and to reform current social, political and economic institutions in accordance with radical goals, or to position radical movements to move further towards radical goals in the most realistic manner possible.²

If there is any one case in which this complex logic is most apparent, it is that of “state-based social services,” whose withdrawal would significantly increase the level of suffering.³ Although these services involve coercive taxation, they amount in practical terms to returning to the most destitute and precarious classes a portion of what was stolen from them by the rich in the first place via rent extraction. So in practice the welfare state reduces the net coercion of the state-capitalist nexus as a whole.

It follows that anarchists at the community level, participating in coalitions with other community activists against neoliberal austerity, “have often opposed privatisation of public services and other state-owned enterprises.”⁴

Sometimes such a dialectical approach also means recognizing that the distinction between “public” and “private” institutions, within a larger system that is statist and coercive, is largely meaningless. Therefore nominally “public” institutions are more amenable to being pushed in an anarchist direction than “private” ones. Thus

some anarchist organisations openly support re-nationalisation efforts. Realist anarchists then prefer state control of means of production when the alternative is private ownership and, in the wake of decades of privatisation, support re-nationalisation as they see publicly owned industries as more advantageous sites from which to agitate for direct worker control—a long-held anarchist organisational goal.⁵

The overall approach can be summarized as rejecting “simplistic slogans like ‘smashing the state’ in favor of emphasizing “the replacement of illegitimate institutions rather than their simple destruction”—or in Malatesta’s words, “we must not destroy anything that satisfies human need, however badly—until we have something better to put in its place.”⁶

¹*Ibid.*, p. 18.

²*Ibid.*, pp. 12-13.

³*Ibid.*, p. 13.

⁴*Ibid.*, p. 13.

⁵*Ibid.*, p. 13.

⁶*Ibid.*, pp. 13-14; Malatesta quote from “Gradualism,” p. 424.

The Rupturalist Error vs. Interstitialism

Revolution, Insurrection, and Rupture. Erik Olin Wright coined the distinction between “interstitial” and “ruptural” models. In ruptural strategies, “*classes organized through political parties*” are the primary actors, and the goal is seizure of state power by a “*frontal attack on the state*” in order to transcend capitalism through state policy.¹

This was the predominant transition strategy of the Old Left—including classical Marxists, Marxist-Leninists, Social Democrats, libertarian Marxists, anarcho-syndicalists, libertarian socialists and communists of other varieties, and most of the dominant schools of anarchism—and remains predominant in surviving socialist and anarchist strains of the Old Left. For a more in-depth historical survey of the ruptural approach, see the first chapter of my book *Exodus*.²

Although Wright considered transition scenarios based on “system-wide ruptural strategies” to be implausible, he didn’t rule them out entirely—especially in “particular institutional settings.”³ System-wide rupture, if it did happen, would most likely occur in an unanticipated scenario in which the state suffered sudden and catastrophic loss of legitimacy, and radical opposition forces took advantage of it, rather than as a result of any kind of long-term strategy on the part of the Left.⁴

He did, however, feel confident in ruling out a system-wide ruptural transition based on revolutionary violence.

I assume that in developed capitalist countries with functioning liberal democratic institutions, a ruptural strategy for socialism would have to work in significant ways through the ordinary democratic processes of the capitalist state. This does not mean that the ruptural strategy would not include fundamental transformation of the form of the state itself—democratic deepening of the state is certainly a central part of the agenda of social empowerment. And it does not mean that a ruptural strategy would not also include political actions outside of the state in civil society and in the economy. My assumption is simply that if a ruptural strategy of transformation is at all feasible, it will not take the form of a violent insurrectionary assault and overthrow of the state by extra-parliamentary means in the model of classical revolutions.⁵

He also assumed, more specifically, that a genuinely democratic and liberatory model of socialism could not be achieved either through violent extra-parliamentary action, or through a ruptural action of any kind that did not reflect majority popular support.⁶

But the implausibility of any ruptural scenario of post-capitalist transition instead left, as the only alternative, what Wright called “metamorphic” transition scenarios (“a trajectory of sustained *metamorphosis* without any system-wide moment of discontinuity”). Metamor-

¹Erik Olin Wright, *Envisioning Real Utopias* (London and New York: Verso, 2010), pp. 305-306.

²Kevin A. Carson, *Exodus: General Idea of the Revolution in the XXI Century* (Center for a Stateless Society, 2021).

³Wright, *Envisioning Real Utopias*, p. 308.

⁴*Ibid.*, p. 309.

⁵*Ibid.*, pp. 309-310.

⁶*Ibid.*, pp. 310-311.

phic strategies include both the “interstitial” (strategies which “seek to build new forms of social empowerment in the niches and margins of capitalist society often where they do not seem to pose any threat to dominant classes and elites”) and the “symbiotic” (where “extending and deepening the institutional forms of popular social empowerment simultaneously helps solve certain practical problems faced by dominant classes and elites”).¹ Wright saw the two strategies as complementary; my emphasis in this book is on interstitial strategy, although I do not rule out ad hoc incorporation of symbiotic strategy as well.

David Graeber suggested that even if a ruptural event occurred, it would not be a clean break between two forms of society; it would just be one episode in a rather muddled process. He called into question what “victory” in a “revolution” would even look like, under contemporary conditions. Rather than unambiguous capture of the state apparatus, it would mean weakening of the state to the point where libertarian enclaves could exist unmolested, with a relatively favorable and non-threatening background environment in which to grow.

What would it mean to win, not just our medium-term goals, but our long term ones? At the moment no one is even clear how that would come about, for the very reason none of us have much faith remaining in “the” revolution in the old 19th or 20th century sense of the term. After all, the total view of revolution, that there will be a single mass insurrection or general strike and then all walls will come tumbling down, is entirely premised on the old fantasy of capturing the state. That’s the only way victory could possibly be that absolute and complete—at least, if we are speaking of a whole country or meaningful territory.

In way of illustration, consider this: What would it have actually meant for the Spanish anarchists to have actually “won” in 1937?... Let us imagine that anarchist militias in Spain had routed the fascist army, and that army had completely dissolved. Let us further imagine that it had successfully kicked the socialist Republican Government out of its offices in Barcelona and Madrid. That would certainly have been anarchist victory by anybody’s standards. But what would have happened next? Would they have established the entire territory of what had once been Spain as a non-Republic, an anti-state existing within the exact same international borders? Would they have imposed a regime of popular councils in every single village and municipality in the territory of what had formerly been Spain? How? We have to bear in mind here that were there were many villages, towns, even regions of Spain where anarchists were few to non-existent

As a result, there appear to have been only two possible solutions to the problem.

1) Allow the Spanish Republic to continue as de facto government under the socialists, perhaps with a few anarchist ministers (as did in fact exist during the war), allow them impose government control on the right-wing majority areas, and then get some kind of deal out of them that they would allow the anarchist-majority cities, towns, and villages to organize themselves as they wish to

2) Declare that everyone was to form their own local popular assemblies, and let each assembly decide on their own mode of self-organization.

The real point of this imaginative exercise is just to point out that there are no clean breaks in history.²

The Interstitial Approach. In Wright’s schema, interstitial strategies “operate outside the state and try as much as possible to avoid confrontations with state power.”

The core idea is to build counter-hegemonic institutions in society. There might be contexts in which struggles against the state could be required to create or defend these spaces, but the core of the strategy is to work outside the state.

Rather than being brought about by a sharp revolutionary break followed by state-driven transformation, interstitial transition is “more like a complex ecological system in which one kind of organism initially gains a foothold in a niche but eventually out-competes rivals for food sources and so comes to dominate the wider environment.”³

¹*Ibid.*, pp. 303, 305.

²David Graeber, *Revolutions in Reverse: Essays on Politics, Violence, Art, and Imagination* (London, New York, and Port Watson: Minor Compositions, 2011), pp. 27-30.

³Wright, *Envisioning Real Utopias*, pp. 306-307.

Elsewhere, Wright uses the analogy of an invasive species taking over and transforming an ecosystem: (capitalism is not a total, all-or-nothing system but something that can change in character over time as non-capitalist elements develop within it.)

One way to challenge capitalism is to build more democratic, egalitarian, participatory economic relations in the spaces and cracks within this complex system wherever possible, and to struggle to expand and defend those spaces.

The idea of eroding capitalism imagines that these alternatives have the potential, in the long run, of expanding to the point where capitalism is displaced from this dominant role.

An analogy with an ecosystem in nature might help clarify this idea. Think of a lake. A lake consists of water in a landscape, with particular kinds of soil, terrain, water sources, and climate. An array of fish and other creatures live in its water, and various kinds of plants grow in and around it

In such an ecosystem, it is possible to introduce an alien species of fish not “naturally” found in the lake. Some alien species will instantly get gobbled up. Others may survive in some small niche in the lake, but not change much about daily life in the ecosystem. But occasionally an alien species may thrive and eventually displace the dominant species.

The strategic vision of eroding capitalism imagines introducing the most vigorous varieties of emancipatory species of noncapitalist economic activity into the ecosystem of capitalism, nurturing their development by protecting their niches, and figuring out ways of expanding their habitats. The ultimate hope is that eventually these alien species can spill out of their narrow niches and transform the character of the ecosystem as a whole

[The process of transition from feudalism to capitalism] may have been punctuated by political upheavals and even revolutions, but rather than constituting a rupture in economic structures, these political events served more to ratify and rationalize changes that had already taken place within the socioeconomic structure.

The strategic vision of eroding capitalism sees the process of displacing capitalism from its dominant role in the economy in a similar way: alternative, noncapitalist economic activities emerge in the niches where this is possible within an economy dominated by capitalism; these activities grow over time, both spontaneously and, crucially, as a result of deliberate strategy; struggles involving the state take place, sometimes to protect these spaces, other times to facilitate new possibilities; and eventually, these noncapitalist relations and activities become sufficiently prominent in the lives of individuals and communities that capitalism can no longer be said to dominate the system as a whole

....

The only hope for an emancipatory alternative to capitalism—an alternative that embodies ideals of equality, democracy, and solidarity—is to build it on the ground and work to expand its scope.¹

Like many other theorists, as we saw in the previous quote, Wright cites the transition from feudalism to capitalism as an example of interstitial transformation. He also mentions the reference to “forming the structure of the new society within the shell of the old” in the I.W.W. Preamble and Colin Ward’s statement that “the parts are already at hand” in *Anarchy in Action* as examples of interstitialism as a conscious strategy. He also cites the WSF slogan “another world is possible”:

...[M]uch of what they have in mind are anarchist-inflected grass-roots initiatives to create worker and consumer cooperatives, fair-trade networks, cross-border labor standards campaigns, and other institutions that directly embody the alternative world they desire in the here and now.²

Even the more insurrectionary anarchist schools, although they pursue ruptural strategies, differ on average from vulgar Marxists insofar as they see the revolutionary rupture as the culmination of a previous interstitial process.

Where they differed sharply was in the belief of what sorts of transformations were needed within capitalism in order for a revolutionary rupture to plausibly usher in a genuinely emancipatory alternative. For Marx, and later for Lenin, the central task of struggles within capitalism is to forge the collective capacity of a politically unified working class needed to successfully seize state power as the necessary condition for overthrowing capitalism. The task of deep social reconstruction to

¹Wright, “How to Be an Anticapitalist Today,” *Jacobin*, December 2, 2015 <<https://www.jacobinmag.com/2015/12/erik-olin-wright-real-utopias-anticapitalism-democracy/>>.

²Wright, *Envisioning Real Utopias*, pp. 323-325.

create the environment for a new way of life with new principles, new forms of social interaction and reciprocity, would largely have to wait until “after the revolution.”

For revolutionary anarchists, on the other hand, significant progress in such reconstruction is not only possible within capitalism, but is a necessary condition for a sustainable emancipatory rupture with capitalism....

A rupture with capitalism is thus necessary in this strategic vision, but it requires a deep process of interstitial transformation beforehand if it is to succeed.¹

Interstitial strategies existed in some older anarchist currents. But they are especially prevalent in socialist and anarchist movements associated with the New Left, and with the wave of networked movements that began (roughly speaking) with the EZLN uprising of 1994, continued through the anti-globalization movement, M15, Syntagma, Occupy, Black Lives Matter, etc., and up to this day.

Interstitial transition, centered on the creation of counter-institutions to enable withdrawal of labor and resources from the existing society and provide a base for resistance, figures prominently in one strain of autonomist Marxism. This autonomist subgroup includes Harry Cleaver, Silvia Federici, John Holloway, and Massimo De Angelis, among others.

Cleaver, a founding thinker in American autonomism, uses the term “rupture”—unlike Wright—in reference to the creation of internal gaps in the logic of the existing system.

Against the capitalist project of infinite totalization and expansion, people have resisted commodification, defended the commons, and refused work. Every successful resistance, every rupture of existing capital-labor dialectics, whether in the factory, office, school, or home, has limited or set back capitalist expansion.²

De-commodification therefore involves the bypassing of sales and exchange-value in favor of folks directly realizing the use-values of goods, services, and their own abilities. Such a bypassing happens sporadically, when goods and services are directly appropriated by workers, on the job or off, and it happens much more systematically in activities such as peer-to-peer (P2P) file sharing, especially of software, music, video, and film. Such activities, by appropriating goods directly, remove them from the market and undermine the ability of capitalists to realize surplus value and profits, and thus the continuing value of the labor employed as a means of social control. The adaptation and diversion of workers’ abilities to their own autonomous pursuits also undermines their employers’ control....

Another kind of bypassing takes place when we undertake to meet our needs and satisfy our desires directly—without the mediation of money, markets, or commodities—in ways that go beyond the mere reproduction of our lives as labor power to be sold in some capitalist labor market for a wage or salary. On a small scale, such direct meeting of needs has a long history, especially in small rural communities, not only in the behavior of families but also in collective collaboration for raising houses and barns, sharing seeds, gathering crops, or fishing. In cities there have always been communities, especially immigrant working-class ones, where folks help each other out in a variety of ways, many of which involve no money or exchange.³

Cleaver sees the future post-capitalist society as an outgrowth and coalescence of the working class’s projects here and now. Like Kropotkin, Cleaver sets us the task of “how to discover tendencies in the present which provide alternative paths out of the current crisis and out of the capitalist system.”⁴

¹*Ibid.*, pp. 328-329.

²Harry Cleaver, *Rupturing the Dialectic: The Struggle Against Work, Money, and Financialization* (Chico, Oakland, Edinburgh, Baltimore: AK Press, 2017), p. 123.

³*Ibid.*, pp. 275-279.

⁴Cleaver, “Kropotkin, Self-valorization And The Crisis Of Marxism.” Paper presented to conference on Pyotr Alexeevich Kropotkin (Moscow, St. Petersburg and Dimitrov, December 8—14, 1992), organized by the Russian Academy of Science on its 150th anniversary. Published in *Anarchist Studies*, edited by Thomas V. Callahan, February 24, 1993, pp. 5, 7. <<https://theanarchistlibrary.org/library/harry-cleaver-kropotkin-self-valorization-and-the-crisis-of-marxism.pdf>>. Accessed May 29, 2019.

Silvia Federici stresses above all the importance of organizing the social sectors involved in the reproduction of everyday life as a commons outside the control of the circuit of capital, in order to provide a base for resistance and for the construction of post-capitalist society.¹

... [T]hrough land takeovers, urban farming, community-supported agriculture, through squats, the creation of various forms of barter, mutual aid, alternative forms of healthcare—to name some of the terrains on which this reorganization of reproduction is more developed—a new economy is beginning to emerge that may turn reproductive work from a stifling, discriminating activity into the most liberating and creative ground of experimentation in human relations.

... Amid wars, economic crises, and devaluations, as the world around them was falling apart, [women] have planted corn on abandoned town plots, cooked food to sell on the side of the streets, created communal kitchens ... thus standing in the way of a total commodification of life and beginning a process of reappropriation and recollectivization of reproduction that is indispensable if we are to regain control over our lives.²

She sees commoning of the reproduction of everyday life as a form of “the cooperation we develop among ourselves,” and “the seeds of the new world.” “These efforts need to be expanded. They are essential to a reorganization of our everyday life and the creation of nonexploitative social relations.”³

The reclamation of the agricultural commons and food security/sovereignty, in her view, is especially vital in creating a commons-based sphere of social reproduction outside the sphere of capital.

Against this background, I look at the struggles that women are making worldwide not only to reappropriate land, but to boost subsistence farming and a noncommercial use of natural resources.⁴

... [S]ubsistence agriculture has been an important means of support for billions of workers, giving wage laborers the possibility to contract better conditions of work and survive labor strikes and political protests....⁵

As we have seen, in cities across the world, at least a quarter of the inhabitants depend on food produced by women’s subsistence labor. In Africa, for example, a quarter of the people living in towns say they could not survive without subsistence food production....

We can also see that subsistence production is contributing to a noncompetitive, solidarity-centered mode of life that is crucial for the building of a new society.⁶

In another essay, Federici discusses the potential of commons as “the foundation of a noncapitalist economy,” stressing in particular the importance of urban gardens and the food commons as engaging in direct production for use, thereby presenting a way of restoring people’s control over part of the reproduction process outside the control of the state or the market economy.⁷

Taken all together, then, shifting all prerequisites for reproduction of human life from the cash nexus to commons-based institutions in the social economy gives us the basis for immediate resistance against the exploitative power of capital, and a foundation for the further construction of post-capitalist society. It’s also a way for people in the Global North to combat imperialist wealth extraction.

As the capitalist crisis is destroying the basic element of reproduction for millions of people across the world, including the United States, the reconstruction of our everyday life is a possibility and a necessity. Like strikes, social/economic crises break the discipline of the wage-work, forcing upon us new forms of sociality.... Today, as millions of Americans’ houses and cars have been repossessed, as

¹Silvia Federici, “Women, Globalization, and the International Women’s Movement,” (2001), in *Revolution at Point Zero: Housework, Reproduction, and Feminist Struggle* (Oakland: PM Press, 2012), p. 89.

²Federici, “The Reproduction of Labor Power in the Global Economy and the Unfinished Feminist Revolution” (2008), in *Revolution at Point Zero*, p. 111.

³Federici, “On Elder Care Work and the Limits of Marxism” (2009), in *Revolution at Point Zero*, p. 125.

⁴Federici, “Women, Land Struggles, and Globalization: An International Perspective” (2004), in *Revolution at Point Zero*, p. 127.

⁵*Ibid.*, p. 131.

⁶*Ibid.*, p. 137.

⁷Federici, “Feminism and the Politics of the Common in an Era of Primitive Accumulation,” pp. 141-142.

foreclosures, evictions, the massive loss of employment are again breaking down the pillars of the capitalist discipline of work, new common grounds are again taking shape, like the tent cities that are sprawling from coast to coast. This time, however, it is women who must build the new commons, so that they do not remain transient spaces or temporary autonomous zones, but become the foundation of new forms of social reproduction.¹

John Holloway, another thinker in this interstitial autonomist tradition, argues for treating capitalism, not as a completed totality, but as a system that is recreated every day using our own labor.

... The problem is not to destroy that society but to stop creating it. Capitalism exists today not because we created two hundred years ago or a hundred years ago, but because we create it today. If we do not create it tomorrow, it will not exist.

...We take an active part in constructing the domination that oppresses us, the obscenity that horrifies us. We create surplus value, we respect money, we accept and impose unreasoned authority, we live by the clock, we close our eyes to the starving. We make capitalism. And now we must stop making it....²

For Holloway the way to stop re-creating capitalism is to progressively shift more and more of our doing into activities that create a different way of doing things.

A sustained global mass strike would destroy capital completely, but the conditions for that do not exist at the moment. It is hard to see how everybody in the world could be persuaded to refuse to work for capital at the same time.

In language much like Cleaver's, he writes that "the only way of thinking of revolution is in terms of a number of rents, tears, holes, fissures that spread through the social fabric."

There are already millions of such holes, spaces in which people, individually or collectively, say, "NO, here capital does not rule, here we shall not structure our lives according to the dictates of capital." These holes are refusals, disobediences, insubordinations. In some cases (the EZLN in Chiapas, the MST in Brazil, the uprising in Bolivia, the piqueteros and *asambleas barriales* in Argentina, and so on), these insubordinations, these holes in the fabric of capital are already very big. The only way in which we can think of revolution is in terms of the extension and multiplication of these disobediences, of these fissures in capitalist command.³

But refusals aren't enough by themselves because refusal, by itself—refusing to sell our labor power—leaves us facing the threat of starvation. "Refusal to work under capitalist command is difficult to maintain unless it is accompanied by the development of some sort of alternative doing."⁴ Such alternative doings include

people occupying factories or schools or clinics and trying to organise them on a different basis, creating community bakeries or workshops or gardens, establishing radio stations of resistance, and so on. All these projects and revolts are limited, inadequate and contradictory (as they must be in a capitalist context), but it is difficult to see how we can create an emancipated doing other than in this interstitial form, through a process of interweaving the different struggles against doing work, knitting together the different doings in-and-against-and-beyond capital....

...The emancipation of doing is the movement of anti-fetishisation, the recovery of creativity. Only in this way can the fissures become poles of attraction instead of ghettos, and only if they are poles of attraction can they expand and multiply.⁵

Stop making capitalism: refuse. But this involves a second moment: do something else instead. This something else is a prefiguration, the embryo of a society yet to be born. To what extent can this embryo grow in the womb of existing society?...

Rupture does not mean that capitalism vanishes. The fissures do not mean that capitalism disappears. But rather than think of revolution as an event that will happen in the future (who knows when) and be relatively quick, it seems better to think of it as a process that is already under way and

¹*Ibid.*, pp. 146-147.

²John Holloway, "Stop Making Capitalism," in *We Are the Crisis of Capital: A John Holloway Reader* (Oakland: PM Press, 2019), pp. 210-211.

³*Ibid.*, p. 215.

⁴*Ibid.*, p. 216.

⁵*Ibid.*, p. 217.

may take some time, precisely because revolution cannot be separated from the creation of an alternative world.¹

Not communism-in-the-future but a multiplicity of communisings here and now. Does this mean that there can be no radical break with capitalism? Certainly not. We have to break the dynamic of capital, but the way to do it is not by projecting a communism into the future but by recognising, expanding, and multiplying the communisings (or cracks in the texture of capitalist domination) and fomenting their influence.²

Although a mass strike is not feasible, the changing correlation of forces between capitalism and the ecosystem of interstitial alternatives we are building hastens the end of the current system. As the commons-based counter-economy gradually grows and progressively greater shares of both effort and consumption are withdrawn from the sphere of commodity exchange and accumulation, we gradually achieve larger and larger amounts of slack, and the ability to walk away from the table for longer periods of time; at the same time, as the sphere of society in service to capitalism's accumulation imperative shrinks, capitalism becomes increasingly fragile to shocks. And as participants in the successor system, on their side, obtain more resources and slack and space as a margin against short-term vulnerability, they will inevitably be emboldened to inflict more, more frequent, and larger shocks on capitalism at the very time it becomes more vulnerable to them.

Massimo De Angelis, still another autonomist thinker of this general current, describes “[t]he ongoing struggles for commons within the current global justice and solidarity movement as “budding alternatives to capital.” He contrasts this to mainstream Marxism, which treats the construction of the successor society as something begun by capitalism and completed by workers after the Revolution, rather than something done by ordinary people “from the ground up” here and now.³

The transition from capitalism to post-capitalism is an extended process characterized by a shifting correlation of forces between the decaying capitalist system (forces of production incorporated into the expansionary circuit of capital), and the commons-based system emerging within it (those engaged in direct production for use outside the cash nexus).

The commons and capital circuits have coexisted since the beginning of capitalism, with the boundary and correlation of forces between them constantly shifting. The “structural coupling” between the two circuits “allows one system to access and use the complexity of other systems.” The correlation of forces at any given time determines the comparative power of the commons circuit and capital circuit in setting the terms of their mutual interface through the cash nexus, and whether the boundary between them is such that capital on net uses the commons as a means to its own ends more than the commons uses capital, or vice versa.⁴

...[T]he commons and capital/state are often linked, coupled through the buying-and-selling site of the market, that is, the ‘economy’. Both capital and the commons buy and sell, although with different priorities and as parts of different movements Capital buys in order to sell at a profit ... or as means of production, to turn resources into commodities Commons, on the other hand, tend to sell commodities in order to buy means of sustenance and reproduction. For example, some members of a household sell their labour power to gain an income in order to be able to purchase the goods necessary for reproduction of the household; or an association engages in petty trade to fund itself; or a social centre sells beer at a concert to purchase the materials to build a kitchen. Buying in order to sell and selling in order to buy are two opposite praxes ..., the former governed by a

¹*Ibid.*, pp. 218-219.

²Holloway, “Communism,” in *We Are the Crisis of Capital*, p. 276.

³Massimo De Angelis, *The Beginning of History: Value Struggles and Global Capital* (London and Ann Arbor: Pluto Press, 2007), p. 135.

⁴De Angelis. *Omnia Sunt Communia: On the Commons and the Transformation to Postcapitalism* (London: Zed Books, 2017), pp. 24-25.

life activity ultimately wasted in accumulation and the latter governed by the needs and desires of reproduction.¹

The commons are currently constrained by their coexistence with capital and the state. The central focus of its strategy is “to attempt to shift these constraints”² Although capital attempts to coopt the commons into its expansionary circuit, “the opposite is also true: the commons can access the complexity of capital systems for their own development.”³

Commons-based counter-institutions, as they expand, increasingly become a barrier to the expansion and valorization of capital, and an impediment to its imperative to accumulate. The commons-based system, as it grows, can reduce its need for interaction with the circuit of capital via the cash nexus, incorporate more and more basic functions of life into itself, and give rise to “commons ecologies, that is, plural and cooperating commons with institutions and arrangements we cannot predict.”⁴ If the commons can coalesce and expand as a coherent counter-system at the expense of capital, and slow or even halt its growth, it will amount to ring-barking the tree of capitalism and causing its eventual decay and collapse. Building the commons starves expansionary capital of oxygen, removes resources from it, and deploys those resources to building a system under our control instead.⁵

With the rise of hyper-efficient small-scale means of production not amenable to centralized capitalist control, and the revolution in networked many-to-many communications, we’re entering a new transition period in which the productivity of the commons is becoming too great for capital to successfully enclose or parasitize upon, and in which the commons will ultimately reabsorb the whole of life and leave the parasitic economic classes and their state to starve.

The intensification of capitalist crisis and further proletarianization “creates the conditions for the flourishing of reproduction commons”⁶

De Angelis’s picture of the growing commons circuit, as the foundation for post-capitalist society, is a reversal of the process by which the capitalist wage system came into being.

Capitalism could only come into existence, Marx argued, when labor was made “free,” that is separated from “the objective conditions of its realization—from the means of labour and the material for labour.” It was necessary to nullify the right to both small-scale free landed property and to communal landed property like that of the open-field village.⁷ The existence of an independent base of guaranteed subsistence, as a member of a solidaritarian community, was an obstacle to creating an economy based on the extraction of surplus value from wage laborers. The necessity of competing with the possibility of direct production for subsistence undermined the ability of employers to command labor in the amounts they desired, and for the wages they were willing to pay; it greatly reduced the rate of profit they could expect to obtain. The creation of a capitalist wage system required the violent suppression of such alternatives. The circuit of capital presupposes the divorce of the individual from “their previous relations to the *objective conditions of labour*.”⁸

Conversely, the renascence of the commons and expansion of the commons circuit presuppose reuniting productive property with commoners, and reincorporation of the means of production into the commons. The commons, as the locus of direct production of use-value,

¹*Ibid.*, p. 105.

²*Ibid.*, p. 13.

³*Ibid.*, p. 25.

⁴*Ibid.*, p. 12.

⁵De Angelis, *The Beginning of History*, p. 226.

⁶De Angelis, *Omnia Sunt Communia*, p. 279.

⁷Karl Marx, *Grundrisse: Foundations of the Critique of Political Economy* (Rough Draft). Translated with a Foreword by Martin Nicolaus (London: Penguin books in association with *New Left Review*, 1973). Hosted at Marxist Internet Archive <<https://www.marxists.org/archive/marx/works/1857/grundrisse/>>, p. 471.

⁸*Ibid.*, pp. 497-498, 503.

and for insurance against risk and mutual aid in time of need, again—as before—undermines the ability of capitalist employers to compel labor on their own terms, and will create a positive feedback process in which each expansion of the capacity of the commons further weakens the extractive capability of capital, and each weakening of capital causes still more subsistence needs to be met in the commons instead of the cash nexus.¹ Capitalism imposed wage labor by suppressing the commons, as described by Marx; and as described by De Angelis, the recomposition of the commons will break the power of the wage system.

De Angelis argues that the most critical area of expansion of the commons is “all those activities that serve the immediate purpose of reproducing life” like “accessing healthy food, housing, water, social care and education.”

Capital can reproduce itself only by putting to work the physical, mental, and affective energies of people for its own purpose: accumulation But the one thing upon which the power of capital is ultimately based, the one thing that enables it to deploy all the other means of its power, is... its ability to control, manage, distribute and shape the meaning of resources that are directly responsible for sustaining human and social life.... An increased ability to govern collectively these resources, to democratise their reproduction, to commonalise them by keeping state and market at bay, are conditions for emancipation for all in all other spheres of life and for make [sic] these spheres of life into a type of commonwealth that is enabled to feel a distance from capital To have access to these resources would allow people and communities not only to grow more resilient, to share conviviality and enjoy life, but to build a common social force to expand their power vis-a-vis capital

...[This] corresponds to the development of a sphere of autonomy from capital¹

This fundamental stratum of commons would, in turn, “form the material basis of a new commons renaissance in many spheres, building its foundation on these reproductive commons.”

...[T]hey would... protect us from the whims of financial markets, and especially, increase our security and power to refuse the exploitation of capitalist markets. The more that capital can blackmail us into poorer conditions, higher insecurity and ever-more gruelling work rhythms, the less we have the power to refuse its logic. Conversely, this power grows the more we have alternative means for our reproduction.²

De Angelis specifically denounces the ruptural approach—what he calls the “fallacy of the political”—which sees radical change as an abrupt process brought about through the seizure of political power. Rather, it is a long-term process that involves “the actual production of another form of power” by building commonwealth over time and expanding it at the expense of the capital circuit.

This conception obviously implies that for a historically defined period, both commons and capital/state cohabit the social space, their struggles and relative powers giving shape to it, with the result that unevenness and contradictions are many, as well as strategic games to colonise the other’s space with one’s own values and decolonise one’s own space from the other’s values. The struggle is therefore continuous.³

He calls for a social revolution based on the “multiplication of existing commons,” and “coming together and interlacing of the different commons so as to leverage social powers and constitute ecology and scale” and “growing commons powers vis-a-vis capital and the state.”⁴

The commons circuit’s analog to capital’s expansionary logic is “boundary commoning.”⁵ As more activities and sources of sustenance are incorporated into the commons on a non-commodity basis, and the necessary inputs of those activities in turn are recursively incorporated, the boundary between circuits shifts in favor of the commons circuit and incorporates a larger share of society, the balance of power shifts from the capital circuit to the

¹De Angelis, *Omnia Sunt Communia*, pp. 138, 140.

²*Ibid.*, p. 14.

³*Ibid.*, p. 276.

⁴*Ibid.*, p. 358.

⁵*Ibid.*, p. 205.

commons circuit and the commons has increasing say over the terms on which it interfaces with the capital circuit.

“Territorialisation”—building up an interlinked ecology of commons, and particularly those involving survival and subsistence, in recuperated areas—is especially important.

The effect of a significant number of commons ecologies in a single area is intense: it produces a new culture, norms, networks of support and mutual aid, virtuous neighborhoods and villages. For sustained social change to occur, commons ecologies need to develop and intensify their presence in social space up to a point where they present a viable alternative for most people. This point is the point of *critical mass*.¹

J.K. Gibson-Graham (actually a composite of Katherine Gibson and the late Julie Graham) are another significant contributor to this tradition. In their book *A Postcapitalist Politics*, they argue: “If we can begin to see noncapitalist activities as prevalent and viable, we may be encouraged here and now to actively build on them to transform our local economies.”² They see “[l]ocally based social movement interventions all over the world” (e.g. slum dwellers movements, community-based enterprises, and other movements “spearheaded by the poor themselves”) as already demonstrating this.³

They reject the vulgar Marxist approach, which puts its focus on political action to achieve postcapitalist transition almost entirely at the systemic level (“a global-scale apparatus of power that must be addressed and transformed before [local struggles’] activities can succeed or be extended”).⁴

Transition, rather, is the outgrowth of millions of local actions.⁵ Like Holloway, Gibson-Graham stress the complexity and open-endedness of reality and the contested nature of capital’s self-reproduction process, and dismiss the idea of capitalism as a totalizing system which must inevitably coopt any attempts at building a postcapitalist society “before the Revolution.” Instead they propose a “weak theory” that

couldn’t know that social experiments are already coopted and thus doomed to fail or to reinforce dominance; it couldn’t tell us that the world economy will be transformed by an international revolutionary movement rather than through the disorganized proliferation of local projects.⁶

Rather than seeing present-day society as a hegemonic capitalist system that incorporates and coopts all attempts at non-capitalist construction, they see it as a “landscape of economic difference, populated by various capitalist and noncapitalist institutions and practices...”⁷

In their approach to local organizing, they use an iceberg to illustrate the majority of total production that is not commodity production by wage labor within capitalist firms. The latter is represented by the portion of the iceberg above the water line. Below the water is a much larger portion consisting of productive activity within schools, on the street, in neighborhoods, within families, unpaid, in church/temple, the retired, between friends, gifts, self-employment, volunteer, barter, moonlighting, children, informal lending, not for market, illegal, not monetized, self-provisioning, under-the-table, producer cooperatives, consumer cooperatives, and non-capitalist firms....

By marshaling the many ways that social wealth is produced, transacted, and distributed *other* than those traditionally associated with capitalism, noncapitalism is rendered a positive multiplicity ra-

¹*Ibid.*, pp. 288-289.

²J.K. Gibson-Graham, *A Postcapitalist Politics* (Minneapolis and London: University of Minnesota Press, 2006), xxiv.

³*Ibid.*, xxv.

⁴*Ibid.*, xxvi.

⁵*Ibid.*, pp. 7-8.

⁶*Ibid.*, p. 54.

ther than an empty negativity, and capitalism becomes just one particular set of economic relations situated in a vast sea of economic activity.¹

The community economy is basically a way to take all the different forms of production in the non-capitalist, underwater portion of the iceberg mentioned above, and “multiply, amplify, and connect” them as a counterhegemonic alternative to capitalism.² Given the wide array of non-capitalist ways of meeting needs already in existence, their approach is one of “starting with what is at hand to begin to replenish and enlarge the commons . . .”³

The authors of a book on dual power from the Next System Project, citing Hannah Arendt’s argument that all political systems depend on popular cooperation for their survival and are overthrown by the withdrawal of public support, point out that counter-institutions are needed to empower such withdrawal.

... [M]ost people will never even consider retracting support for governing institutions if they don’t see viable alternatives.... The organization of unions, worker-owned firms, and housing cooperatives is what makes socialism a real, lived possibility around which greater movement-building can occur.

Such alternatives also make us less dependent “on capitalist and state institutions for access to basic survival needs and avenues for collective action. Transcending capitalism and the state thus requires having alternative institutions in place to meet those needs and organize people to act powerfully in concert with one another.”⁴

In their treatment of the dual power institutions building the future post-capitalist society, the co-authors focus heavily on the local.

In early stages, crafting the political infrastructure of radical democracy and libertarian socialism will be mainly local, through outgrowths and codifications of existing social processes that can be expanded into mainstream practice and incorporated into a broader strategy. The community institutions proposed here are modular. They can stand alone as individual projects, fine-tuned to solve specific problems created by the current system’s failures, but they are designed to be organized as a network. By working together and mutually reinforcing one another, these institutions can qualitatively change the power relations of a city or neighborhood, and lay the groundwork for new macro-structures of self-governance and civil society....

Particular institutional arrangements will likely depend on local needs and conditions, but possibilities include worker-owned cooperatives, neighborhood councils, community land trusts, local food distribution systems, mutual aid networks, community-owned energy, popular education models, time banks, childcare centers, community health clinics, and more.⁵

An especially interesting recent thinker, Christopher Wright, has presented a modified version of Marxist historical materialism. For Marx—at least in the opening passage of the Preface to *Contribution to a Critique of Political Economy* which served as the prooftext for subsequent vulgar Marxist “historical materialism”—history was a series of historical epochs, in each of which the dominant class developed the productive forces to the limits of possibility within their system, followed by a systemic rupture when existing social relations of production were no longer able to cope with new forces of production. So capitalists, in a linear process, develop the forces of production until they can no longer be contained within the existing system—at which point the working class says “Thanks, capitalists!” and takes over the further development of productive forces. There is only one line of development of productive forces at a time (at least within the capitalist epoch)—the optimal line of development by the dominant class.

¹*Ibid.*, p. 70.

²*Ibid.*, p. 80.

³*Ibid.*, p. 191.

⁴John Michael Colón, Mason Herson-Hord, Katie S. Horvath, Dayton Martindale, and Matthew Porges, *Community, Democracy, and Mutual Aid: Toward Dual Power and Beyond* (The Next System Project, April 2017), pp. 5-6

⁵*Ibid.*, pp. 7, 8.

In Wright's departure, he envisions prolonged "conflict between *two sets of production relations*" within the same system, "*one of which uses productive forces in a more socially rational and 'un-fettering' way than the other.*" In this vision, just as in the transition from feudalism to capitalism,

a cooperative and democratic mode of production emerges over a prolonged period of time... both interstitially and more visibly in the mainstream. As the old anarchic economy succumbs to crisis and stagnation, the emergent "democratic" economy—which does not yet exist today—does a better job of rationally and equitably distributing resources, thereby attracting ever more people to its practices and ideologies. It accumulates greater resources as the old economy continues to demonstrate its appalling injustice and dysfunction.¹

My revision to the theory, then, is simply that at certain moments in history, new forces and relations of production evolve in an older economic and social framework, undermining it from within. For different reasons in different cases, the new production relations spread throughout the society, gradually overturning the traditional economic, social, political, and cultural relations, until a more or less new social system has evolved....²

In Wright's revised version of historical materialism, "the 'old' society really begins to yield to the 'new' one... when an emergent economy has evolved to the point that it commands substantial resources, is highly visible, and is clearly more systemically "rational" than the old economy." This leads to a decisive systemic tipping point because

the emergent mode of production, in being less dysfunctional and/or more "efficient" than the dominant mode, eventually (after reaching a certain visibility) attracts vast numbers of adherents who participate in it and propagandize for it.... Moreover..., after a long evolution, the emergent economic relations and their institutional partisans will have access to so many resources that they will be able to triumph economically and politically over the reactionary partisans of the old, deteriorating economy.³

So the creation of socialist economic and social institutions is a task for here and now, in contrast to the standard Marxist model "according to which the substance of social revolution occurs after the seizure of state power"⁴:

The basic problem [with conventional Marxism] is that if you try to reconstruct society entirely from the top down, you have to contend with all the institutional legacies of capitalism. Relations of coercion and domination condition everything you do, and there is no way to break free of them by means of political or bureaucratic will. While the right state policies can be of enormous help in constructing an economically democratic society, in order for it to be genuinely democratic it cannot come into existence *solely through the state*.... Instead, there has to be a ferment of creative energy at the grassroots (as there was during the long transition from feudalism to modern capitalism) that builds and builds over generations, laboriously inventing new kinds of institutions in a process that is both, or alternately, obstructed and facilitated by state policies (depending on whether reactionaries or liberals are in power, or, eventually, leftists)....

Thus, the final, culminating stage of the conquest of the state has to take place *after* a long period of economic gestation, so to speak (again, gestation that has been facilitated by incremental changes in state policies, as during the feudalism-to-capitalism transition), a gestation that serves as the material foundation for the final casting off of capitalist residues in the (by then) already-partially-transformed state.⁵

When the state finally does bring about the revolutionary rupture by initiating force against the nascent system emerging in its midst, the resulting violence may serve only to ratify the transition after the fact. The violence will be primarily defensive, not constitutive.

¹Christopher Wright, "Eleven Theses on Socialist Revolution," *Socialist Forum*, Summer 2021 <<https://socialistforum.dsusa.org/issues/summer-2021/eleven-theses-on-socialist-revolution/>>.

²Chris Wright, "Marxism and the Solidarity Economy: Toward a New Theory of Revolution," *Class, Race, and Corporate Power* 9:1 (2021) <<https://digitalcommons.fiu.edu/cgi/viewcontent.cgi?article=1173&context=classracecorporatepower>>, p. 9.

³*Ibid.*, p. 11.

⁴*Ibid.*, p. 12.

⁵Wright, "Eleven Theses on Socialist Revolution."

This scenario, in which the last commanding heights of the dying capitalist system fall only after a prolonged period of sapping and supplantation by new relations of production within the interstices of the old system, has the advantage of plausibility. As Wright argues, the idea of a successful brute force takeover of a predominantly capitalist system (whether by an insurrectionary or an electoral movement), and subsequent systemic transformation, defies credibility. Such attempts on the imperial periphery—Chile, Venezuela, etc.—have either been “crushed” or largely strangled by some combination of the local bourgeoisie and the imperial core. What’s more,

if a massive insurrection—or even an electorally grounded left-wing takeover of the state—happened in one of the core capitalist nations, as opposed to a peripheral one, the reaction of ruling classes worldwide would be nearly apocalyptic. They would likely prefer the nuclear destruction of civilization to permitting the working class or some radical subsection of it to completely take over a central capitalist state and dismantle big business.¹

The specific form of the more efficient counter-economy developing parallel to the capitalist one, for Wright, is essentially the same ecosystem of self-managed, commons-based institutions that Federici, De Angelis and others outlined above. The main contemporary model, or at least foreshadowing, of the kind of interstitial development he envisions is the local and regional “social economies” or “solidarity economies,” consisting of entire interlocking ecosystems. The social economy includes “citizen’s committees, food banks, community centers, family economy cooperative associations, community health clinics, legal clinics, not-for-profit childcare centers,” housing co-ops, women’s centers, workers’ co-ops, community economic development corporations, labor unions, and environmental associations”² The closely related, and somewhat overlapping category of solidarity economies includes “community-supported agriculture, urban gardening, alternative currencies, collective kitchens, and community land trusts, not to mention all the more familiar forms of cooperativism (producer, consumer, housing, agricultural, etc.).”³ “In general,” he notes, “the global social economy can be expected to grow in the coming generations, as national governments prove incapable of fulfilling their welfare and regulatory functions.”⁴

The post-capitalist economy will not be something constructed from the top down “after the Revolution,” but is being constructed right now with these things as its building blocks.

The post-capitalist economy will have to incorporate the “solidarity” structures that are emerging, and in fact it will, to a large extent, be grounded in them. Especially if you broaden the concept of solidarity economy so that it encompasses public banking, municipal enterprise, benefit corporations, and participatory budgeting..., its contemporary significance is undeniable. It is, in short, the terrain of the “movement of movements” against privatization and profit-mongering, aimed at the resurrection of public space, whether embodied in the World Social Forum, Occupy Wall Street, or any of the countless dissident movements rocking the globe.⁵

What we must do, then, is to laboriously construct new relations of production as the old capitalist relations fall victim to their contradictions. But how is this to be done? At this early date, it is, admittedly, hard to imagine how it can be accomplished. Famously, it’s easier to imagine the end of the world than the end of capitalism.

But two things are clear. First, a significant amount of grassroots initiative is necessary. The long transition will not take place only on one plane, the plane of the state; there will be a tumult of creative energy on sub-state levels, as there was during Europe’s transition into capitalism The many forms of such energy can hardly be anticipated, but they will certainly involve practices that have come to be called the “solidarity economy,” including the formation of cooperatives of all types, public banks, municipal enterprises, participatory budgeting, mutual aid networks, and so on. In a

¹Wright, “Marxism and the Solidarity Economy,” p. 13.

²*Ibid.*, p. 28 (quoting Marguerite Mendell, “The Social Economy in Quebec” (2003)).

³*Ibid.*, p. 30.

⁴*Ibid.*, p. 29.

⁵*Ibid.*, p. 30.

capitalist context it is inconceivable that states will respond to crisis by dramatically improving the circumstances of entire populations; as a result, large numbers of people will be compelled to build new institutions to survive and to share and accumulate resources. Again, this process, which will occur all over the world and to some degree will be organized and coordinated internationally, will play out over generations, not just two or three decades.

In the long run, moreover, this solidarity economy will not prove to be some sort of innocuous, apolitical, compatible-with-capitalism development; it will foster anti-capitalist ways of thinking and acting, anti-capitalist institutions, and anti-capitalist resistance. It will facilitate the accumulation of resources among organizations committed to cooperative, democratic, socialized production and distribution, a rebuilding of “the commons,” a democratization of the state. It will amount to an entire sphere of what has been called “dual power” opposed to a still-capitalist state, a working-class base of power to complement the power of workers and unions to strike.¹

Not only must the post-capitalist transition be gradual and interstitial, it must be international. Indeed its gradual and interstitial character is what enable its internationalism.

... [T]he only way a revolution can be international is that it happen in a similar way to the centuries-long “capitalist revolution” in Europe and North America, namely by sprouting on the local level, the municipal level, the regional level, and expanding on that “grassroots” basis.... The hope that the states and ruling classes of many nations can fall at approximately the same time to a succession of national uprisings (whether electoral or not)... is wildly unrealistic²

For Christopher Wright, the interstitial process of transition includes some developments which Erik Olin Wright would call “symbiotic.”

... [W]hat the retrenchment of government’s “beneficent” functions is making possible, for the first time ever, is the paradigm of revolution I described above when critiquing Marx’s theory. Given the state’s growing incapacity to assuage discontent, movements of a decentralized, semi-interstitial, regional, democratic character are emerging to fill the vacuum. In the long run they, or the institutions they spawn, may take over some of the functions of the national state, such as partially providing for social welfare. Even more importantly, they will enable the construction of new production relations in the shell of a corporate capitalist economy that cannot provide billions of people with a livelihood. These relations will spread all over the world, in an agonizingly slow process that will surely take well over a hundred years—because social transitions on the scale of capitalism-to-“cooperativism” do not happen quickly.³

Rupturalist Arguments Against Interstitial Transformation, and the State’s Boiled Frog Syndrome. The rupturalist response to these interstitial scenarios generally falls under one of two headings:

1) Interstitial transition is impossible because interstitial counter-institutions lack the capital to compete effectively with capitalist institutions which are privileged in their access to resources, and will be coopted by capitalism and subsumed within its logic.

2) Interstitial transition is impossible because the capitalists will not permit the growth, within its interstices, of a counter-system which threatens to supplant it.

The answer to the first objection is that the systemic crises of capitalism itself contribute to the shift in balance of power between the two systems. Resource and input crises like Peak Fossil Fuel, fiscal crisis, etc., and worsening recessions and underemployment resulting from chronic crisis tendencies toward underconsumption and surplus capital, are precisely the reason that interstitial alternatives become necessary for ordinary people. Survival, in an era of growing unemployment and underemployment, is the “killer app” that will drive adoption of alternative sources of livelihood.

And the resource and fiscal constraints of the capitalist system—a system that was founded and grew based on the artificial abundance of looted and enclosed material re-

¹Wright, “Revolution in the Twenty-First Century: A Reconsideration of Marxism,” *New Politics*, May 5, 2020 <<https://newpol.org/revolution-in-the-twenty-first-century-a-reconsideration-of-marxism/>>.

²Wright, “Marxism and the Solidarity Economy,” p. 14.

³*Ibid.*, p. 25.

sources, and massively subsidized inputs—mean it no longer has the *ability* to coopt counter-institutions into its own logic. Far from it. As Chris Wright argues:

Marxists and other radicals often object that [such institutions of the social economy] are merely interstitial and apolitical, can be coopted by the ruling class, can function as *stabilizing* forces for society, are compelled to compromise with capitalism, and therefore do not represent viable paths to a post-capitalist future. There may, indeed, be some truth to these objections when the social context is one of basic systemic stability, i.e., when society isn't in a "revolutionary situation" anyway. But when it is—when the social fabric is disintegrating, economic crisis is throwing millions out of work, class polarization is growing—these "interstitial" developments can potentially have revolutionary significance. The logic is that as political protest spreads and the ruling class grows ever more fearful, some of its more progressive members and institutions split off from the rest and throw their support to un-capitalist or semi-capitalist initiatives as a desperate way to keep the masses obedient and society under control. Again, this is how the New Deal state was born in the U.S. But since such a state is becoming increasingly untenable, the ruling class's hopes for stabilizing society will, to some extent, lie in more localized and decentralized democratic experiments (in addition, as I said, to political repression). The combination of mass agitation and ruling-class support will ensure that these experiments spread, especially because in all likelihood there will be no foreseeable end to the economic crisis. In the long run, the result will be capitalism's self-undermining by means of its forced support for a proliferation of people-empowering measures. Their popularity and success, moreover, will generate a dynamic by which they spread of their own momentum, so to speak. The success of the new "bottom-up" economy will make the old top-down one increasingly obsolete, although of course innumerable political clashes will have to occur before it can be unseated from the summits of power.¹

... [W]hile the wave of worker cooperatives in the U.S. in the late nineteenth century succumbed to an ascendant corporate capitalism, the wave that is just beginning now—a product of comparable conditions of inequality and economic "anarchy"—will continue to build as its nemesis corporate capitalism dies. Thus, cooperative movements sprang up in the fractured dawn, or predawn, of an era in the 1870s and 1880s, and they spring up at its fractured dusk—only to enjoy a success they could not earlier when their nemesis was in its childhood rather than its old age (and when they themselves didn't have the resources to which they have access now). Neoliberalism has thereby been an unwitting tool of the "cunning" of historical reason, by precipitating the demise of the very order whose consummation it was and making possible the rise of a new one.²

Indeed, the dying capitalist system is likely to mirror previous dying systems, like the Western Roman Empire after it reached its limit of growth or the decaying feudal system, in attempting to cope with its exhausted resources by handing off power to the ascendant institutions of the successor society. Wright again:

... [W]e can guess that, as national governments prove increasingly unable to cope with environmental and social crises, they will permit or even encourage the creation of new institutional forms at local, regional, and eventually national levels. Many of these institutions, such as cooperatives of every type (producer, consumer, housing, banking, etc.), will fall under the category of the solidarity economy Capitalism's loss of legitimacy will foster the conditions in which people seek more power in their workplaces, in many cases likely taking them over, aided by changes in state policies (such as the active promotion of a cooperative sector to provide employment in a stagnant economy) due in part to the presence of more socialists in government. Other innovations may include a proliferation of public banks, municipal enterprises (again, in part, to provide jobs at a time of raging structural and cyclical unemployment), and even universal basic income³

In short, the state and ruling class will, whether consciously or not, adopt two overarching strategies to maintain their power: try to repress dissidents, and assist progressive initiatives that seem comparatively unthreatening. In "liberal" societies confronted by massive and sustained protest, such a dual approach is necessary, because repression alone is unsustainable, does not address the underlying causes of protest, and (as the government's sole strategy) is unacceptable to large portions of the public and the elite. On local, regional, and national scales, the ruling class will try to smash radical movements even as it (or a section of it) tentatively supports such things as public

¹*Ibid.*, pp. 25-26.

²*Ibid.*, p. 47.

³Wright, "Eleven Theses on Socialist Revolution."

banking, municipal enterprise, cooperatives, enlightened use of eminent domain, and communal self-help institutions of various kinds. But political dissent will, if anything, only spread, not go away. One can expect that, in a world of multiform crisis, alliances will naturally emerge between different movements on the left some of which (like the effort to build co-ops) are less explicitly “political” than others. The progress of these interstitial initiatives, therefore, will aid the progress of the mass political movements, and vice versa, such that corporate capitalism will be slowly hollowed out even as it loses ideological hegemony. Its opponents will command more and more resources, which itself will make possible their command over even more resources, in a self-reinforcing cycle somewhat comparable to the early-modern bourgeoisie’s gradual erosion of feudalism’s (and later absolutism’s) economic, political, and ideological hegemony.¹

One way the future may play out is that such reforms, eventually supported by much of the elite, continue to spread globally for many decades as social instability increases. They build up a constituency that acquires a vested interest in their maintenance and expansion. Since national governments and bureaucracies are simultaneously becoming ever more dysfunctional and inadequate to the task of ensuring social order, the “reforms” frequently amount to a partial ceding of powers to the regional, local, and international scales. Military and police repression of far-left movements continues in many places, and such movements or parties are rarely permitted to capture national governments (because they’re too important), but on less visible scales, such as the local and regional, “the people” do have more and more say in governance —

because the elite finds it necessary to make some concessions, and it is less dangerous to do so on lower levels of governance than on higher levels....²

... Given the state’s growing incapacity to assuage discontent, movements of a decentralized, semi-interstitial, regional, democratic character are emerging to fill the vacuum. In the long run they, or the institutions they spawn, will probably take over many of the functions of the national state, such as the provision of social welfare. Even more importantly, they will enable the construction of new production relations in the shell of a corporate capitalist economy that cannot provide billions of people with a livelihood.³

The process bears considerable resemblance to that by which the Roman state, similarly exhausted, out of necessity delegated an increasing share of its security functions to the very Germanic tribes whose incursions it had been fighting.

Just as the European absolutist state of the sixteenth to nineteenth centuries was compelled to empower—for the sake of accumulating wealth—the capitalist classes that created the conditions of its demise, so the late-capitalist state will be compelled, for the purposes of internal order, to acquiesce in the construction of non-capitalist institutions that correct some of the “market failures” of the capitalist mode of production. The capitalist state will, of necessity, be a participant in its own demise. Its highly reluctant sponsorship of new practices of production, distribution, and social life as a whole—many of them “interstitial” at first—will be undertaken on the belief that it’s the lesser of two evils, the greater evil being the complete dissolution of capitalist power resulting from the dissolution of society.⁴

And this, in turn, opens up new spaces in the Global South for the expansion of the social economy at the expense of capitalism and the state—without the West to step in and thwart the process:

As the centers of global capitalism become more preoccupied with internal problems while having fewer resources to devote to policing world politics on behalf of corporate interests, left-wing movements in the global South have greater success against their governments. Quite possibly, democratic initiatives such as have been pursued in Kerala, India become more common, as do participatory budgeting, public banking, and comparable experiments.⁵

As for the threat of suppression, the capitalist state is just as vulnerable to the so-called “boiled frog syndrome” as are its subject populations. The resort to full-blown repression or martial law is a decision that, once taken, cannot be taken back. And once taken, it risks the

¹Wright, “Marxism and the Solidarity Economy,” p. 26.

²*Ibid.*, p. 45.

³Wright, *Worker Cooperatives and Revolution: History and Possibilities in the United States* (Bradenton, FL: BootLocker, 2014), p. 160.

⁴Wright, “Revolution in the Twenty-First Century.”

⁵Wright, “Marxism and the Solidarity Economy,” p. 45.

outcomes experienced by the Shah, Ceausescu, and Qaddafi. Hence the temptation on the part of the rulers will always be to judge that the threat from the counter-system is not as great as it seems, that the point of no return has not been reached, and that the proper response is to wait and see.

The state may instead adopt partial expedients short of full-scale repression, attempting to suppress alternatives piecemeal or retail through draconian regulations. But such an approach runs up against the increasingly superior agility of networked resistance to bureaucratic hierarchies, the downscaling and decentralization (and hence decreased legibility) that new production technologies make possible, and the potential of new technologies for circumventing artificial scarcities like intellectual property.

So the likely real-world scenario is likely one of counter-institutions starving the corporate state and engaging in constant, partial disruption, as the state incrementally retreats from one marginal area after another based on cost-benefit ratios, without the successor system ever posing enough of a one-time threat to make an all-out counter-assault worth the state's while. The state will simply retreat into smaller and smaller islands of governability. To quote Wright yet again:

Second, the question naturally arises as to why the ruling class will tolerate, or at times even encourage, all this grassroots and statist “experimentation” with non-capitalist institutions. On one level, the answer is just that the history will unfold rather slowly (as history always does—a lesson too often forgotten by revolutionaries), such that at any given time it won’t appear as if some little policy here or there poses an existential threat to capitalism. It will seem that all that is being done is to try to stabilize society and defuse mass discontent by piecemeal reforms (often merely local or regional). Meanwhile, the severity of the worldwide crises—including, inevitably, economic depression, which destroys colossal amounts of wealth and thins the ranks of the obstinate elite—will weaken some of the resistance of the business class to even the more far-reaching policy changes. By the time it becomes clear that capitalism is really on the ropes, it will be too late: too many changes will already have occurred, across the world. Historical time cannot be rewound. The momentum of the global social revolution will, by that point, be unstoppable, not least because only non-capitalist (anti-privatizing, etc.) policies will have any success at addressing ecological and social disaster.¹

Or as John Robb, a specialist on networked resistance and open-source insurgencies, argues:

In most cases, the work being done to build decentralized systems, will be opaque to the people running the existing system. It won’t look like a threat until they have already won (the model for this is how feudalism was replaced by markets—the nobles didn’t know they had lost, as an institution, until they lost their castles to creditors).²

¹Wright, “Eleven Theses on Socialist Revolution.”

²John Robb, “Hypercentralized or hyperdecentralized? Both...,” *Global Guerrillas*, September 19, 2013 <<http://globalguerrillas.typepad.com/globalguerrillas/2013/09/hypercentralized-or-hyperdecentralized-both.html>>.

The Many and the One

I. “Under Capitalism,” or the Essentializing Fallacy.

We frequently encounter, among some circles on the Left, such statements as “There is no ethical consumption under capitalism,” “No meaningful reform is possible under capitalism,” and the like. These statements are all based on an essentialist understanding in which there is no outside to capitalism, and *everything* is “under capitalism” until “after the Revolution.

But the 500-odd-year-old capitalist system, like previous historic systems, is not a monolithic unity. It is a social formation made up of multiple coexisting modes of production—some in ascendancy, some in decline. And the various institutions that exist within the system change their character over time, as their relationship to the larger evolving system and their functional role within it changes.

One reason for the belief in the threat of cooptation is a mis-application of analogies from the experience of the past. When capitalism was in the ascendant, it did indeed coopt and incorporate the social commons and working class institutions into its own logic. So it follows, according to this argument, that today’s efforts at commons-based counter-institutions will be similarly coopted.

The difference is that capitalism today is not in the ascendant. The correlation of forces between the two systems, and the comparative dynamic, has reversed itself. Capitalism is a system which has already approached the frontiers of growth, and is beset by crises resulting from limits of various sorts: Peak Oil and other material input crises that deny capitalism the artificially cheap resources it needs to expand; crises of fiscal resources that undermine the state’s ability to provide the subsidies needed to keep capital profitable; and the resumption from the 70s on of all the crises of idle capacity, surplus capital, and demand shortfall that caused the Depression a generation earlier. Capitalism is not able to maintain its existing ground, let alone coopt new ground. The new counter-system is more agile and resilient, and more efficient in its use of resources, than the dinosaur system it is supplanting from within; every bit of labor and resources that we shift from capitalism to the emerging successor system hastens the death of the old system.

The Changing Character of Capitalist Institutions “Under Capitalism.” It makes sense to pursue a strategy of pushing legacy institutions like states toward transformation in a non-statelike direction, at the same time we also expand and consolidate the range of alternatives outside the state, and change the nature of the larger system within which the state exists and defines itself. Whether such a project is actually feasible remains to be seen. But it is worth attempting, as one part of a larger strategy.

And in any case it is a phenomenon that occurs to some extent under capitalism, regardless of whatever transition strategies are chosen on the left.

As Andy Robinson argues, the old hierarchies of state and corporation will attempt to coopt the new decentralized or networked forms into their logic, in order to take advantage of their superior efficiency and stave off the collapse of the old system. In some cases the state and corporate hierarchies will take on hybrid networked forms, so that legacy institutions

change somewhat in character. In others they will fail. But in both cases, they will represent a systemic transition.

....[E]ver since the 70s the system has been trying to find hybrids of network and hierarchy which will harness and capture the power of networks without leading to “chaos” or system-breakdown. We see this across a range of fields: just-in-time production, outsourcing and downsizing, use of local subsidiaries, contracting-out, Revolution in Military Affairs, full spectrum dominance, indirect rule through multinational agencies, the Nixon Doctrine, joined-up governance, the growing importance of groups such as the G8 and G20, business networks, lifelong learning, global cities, and of course the development of new technologies such as the Internet....

In the medium term, the loss of power to networks is probably irreversible, and capital and the state will either go down fighting or create more-or-less stable intermediary forms which allow them to persist for a time. We are already seeing the beginnings of the latter, but the former is more predominant. The way I see the crisis deepening is that large areas will drift outside state and capitalist control, integrated marginally or not at all (this is already happening at sites such as Afghanistan, NWFP, the Andes, Somalia, etc., and in a local way in shanty-towns and autonomous centres). I also expect the deterritorialised areas to spread, as a result of the concentration of resources in global cities, the ecological effects of extraction, the neoliberal closing of mediations which formerly integrated, and the growing stratum of people excluded either because of the small number of jobs available or the growing set of requirements for conformity. Eventually these marginal spaces will become sites of a proliferation of new forms of living....¹

The hybrid forms of organization will succeed or fail to varying degrees. Those that fail will do so because, despite lip-service to flattened hierarchies and liberatory management, their managerial hierarchies will be unable to avoid their old habits. Those which sufficiently adopt networked or decentralized logic to survive will succeed to such an extent that they eventually take on the logic of the successor system to a degree that would dismay their current leaders. A small minority of corporations may become network-like enough to survive. If they find themselves still alive at the end of the transition, much like the capitalist guilds that survived into the 16th century, they will likely have become so network-like as to be p2p organizations for all intents and purposes.

The structural Marxist idea of multiple modes of production—some on the ascendant, some on the decline—coexisting within a social formation is relevant here. As Eugene Holland argues,

the requirement of such a radical systemic break is necessary only when you conceive of a society or mode of production as a total system in the first place.... Construing such elements in terms of dominant, residual, and emergent improves utopian prospects considerably, inasmuch as there would presumably be positive elements to affirm (the “emergent” ones) alongside the negative ones to critique and reject (presumably all the “dominant” ones)....²

Hegemonic thinking (i.e., thinking that social change is always and only a matter of hegemony)... leads to the double impasse of “revolution or reform”: given its totalizing view of society, one must either seek the total and utter demolition of that society through revolution or settle for piecemeal reforms that ultimately have no decisive effect on it. But society is not a totality....³

The post-capitalist class formation will be one in which commons governance, horizontal networks and p2p organization will replace the corporate-state nexus as the core, with markets and administration persisting in reduced, peripheral form and characterized by their relationship to networks. David Ronfeldt, in the context of his TIMN (Tribes, Institutions, Markets and Networks) framework, describes it as “coexistent layering.”⁴ The ascendancy of

¹Andy Robinson, “[p2p research] Berardi essay,” P2P Research email list, May 25, 2009 <<http://listcultures.org/pipermail/p2presearch> listcultures.org/2009-May/003079.html>.

²Eugene Holland, *Nomad Citizenship: Free-Market Communism and the Slow-Motion General Strike* (Minneapolis: University of Minnesota Press, 2011), p. 169.

³*Ibid.*, pp. 149-150.

⁴David Ronfeldt, “Q’s & A’s about “TIMN in 20 minutes” (2nd of 7): nature of the forms and their relationships,” *Visions From Two Theories*, October 8, 2012 <<http://twotheories.blogspot.com/2012/10/qs-as-about-timn-in-20-minutes-2nd-of-7.html>>.

networks and p2p organization will profoundly alter older state and market institutions forced to accommodate themselves to a society in which the network form increasingly shapes the character of all functions.¹

The idea of gradually shifting the nature of states, even under the present system, is an old one. The idea is to make states somewhat less extractive and hierarchical, and lay the groundwork for a fundamental alteration in their character when the larger system they are a part of reaches its tipping point. The nature of a state agency, a corporation, or any other institution is determined by the nature of the larger system of which it is a part. For example, a craft guild that existed in the 13th century might have shifted, by the 16th century, to an essentially corporate capitalist model dominated by large masters engaged in the export trade—but kept the same name the entire time. The legacy institutions that are able to negotiate the transition process and survive with some degree of organizational continuity in the successor society may still have the same names, but they will be largely different in substance.

The Saint-Simonian idea of replacing legislation over human beings with the “administration of things” has since appeared in many iterations, starting with Proudhon’s “dissolution of the state in society” and continuing to Cosma Orsi’s “Partner State” in the present day.

Proudhon anticipated the Partner State, according to anarchist historical scholar Shawn Wilbur, in finding

that government and the State were indeed separable, and that the non-governmental functions of the State, though modest in comparison to those attributed to its authoritarian forms, served vital roles in society—even when the political forms of society approached *anarchy*.²

It was in *The Theory of Taxation* . . . , that the citizen-State finally emerged.... He reaffirmed that the State had a “positive reality,” manifesting itself as a “power of collectivity,” issuing from the organized collective, rather than imposed on it from outside, and thus possessing rights . . . but no authority. He asserted that in a regime of liberty it too must be ruled, like the citizens, only by reason and by justice—because, as he put it, “it is itself, if I may put it this way, a sort of citizen.” This image of the citizen-State, neither master nor servant, and located “on the same line” as the other citizens, may be the simplest characterization possible of Proudhon’s complex and elusive ideal for the State.³

The Partner State is very much in line with this formulation of Proudhon’s, as John Restakis describes it:

... The Partner State is above all an enabling state. Its primary purpose is to maximize the capacity of civil society to create social value and to act as the primary agent in the formation of public policy. It is citizens, acting through civil institutions that they control, that ultimately decide and direct the implementation of public policy. The enabling role of the state is not confined to the promotion of social value. It also entails the promotion of open access to the economy. It provides space for the operation of many models of entrepreneurship, including collective and commons-based forms of enterprise such as cooperatives and peer-to-peer networks, and the promotion of participatory politics.

The Partner State enlarges the scope of personal autonomy and liberty and guarantees personal economic security while reinforcing the social bonds that build healthy communities and a vibrant civil society. Central to this process is the democratization of the state itself. Ultimately, the Partner State acts primarily as an administrative support for the coordination of policies decided upon by institutions of civil society on the basis of cooperative, direct de-

¹Ronfeldt, “Updates about missing posts (3rd of 5): Bauwens’ ‘partner state’ (part 2 of 3)... vis à vis TIMN,” *Visions From Two Theories*, April 3 <<http://twotheories.blogspot.com/2014/04/updates-about-missing-posts-3rd-of-5.html>>.

²Shawn Wilbur, “Pierre-Joseph Proudhon: Self-Government and the Citizen-State,” *The Libertarian Labyrinth*, June 2013 <<http://archive.vn/vOZR1>>, pp. 1-2.

³*Ibid.*, p. 12.

mocracy.¹ Elsewhere he writes that the Partner State “facilitates and provides the maximum space and opportunity for civil society to generate goods and services for the fulfillment of common needs.”

And, in contrast to a view of the citizen as a passive recipient of public services, the Partner State requires a new conception of productive citizenship What is required is generative democracy—a democracy that is regenerated and recreated constantly through the everyday mechanisms and decisions that go into the design, production, monitoring, and evaluation of the goods and services that citizen’s need to construct and live a truly civic life. For this, the organizational models of the social economy—the co-operative, reciprocal, and democratic organization of relationships and decisions—are the prototypes of a new political economy.²

So the Partner State, arguably, is not so much a “government” as a system of governance. It need not be a state at all, in the sense of an institution which claims the sole right to initiate force in a given territory. It is, essentially, a nonstate social association—or support platform—for managing the commons, extended to an entire geographical region.

For Christian Laione, it is a platform that follows an open-source logic and is organized from below. And to some extent it recapitulates the polyarchic systems of governance that predated the Westphalian nation-state and its model of sovereignty.

For this reason, we need to re-think the organization and the culture of institutions in a framework of open-source and circularity: we need a State-Platform that does not want to guide the process but chooses [sic] to act from below, supporting a circuit of relationship and allowing the above-mentioned actors [public, private, third sector, cultural institutions such as schools and universities, single citizens and social innovators] to become authors and actors of general interest. The State-Platform must break the monopoly of public care of the general interest, without withdrawing from the care of those interests which are inescapably public and becoming a system administrator, as it happens in the web.... We took thirty or forty years to have the social state we inherited, which was born exactly as the contemporary collaborative state is emerging in the co-working spaces, in enterprises, in community cooperatives, in fab labs, in impact hubs, in cultural and creative collectives and enterprises, in the collective management of the commons and so on. ...[T]hese people are reconstructing and regenerating the State starting from its foundations.³

...[A] new form of State, a State which is plural because distributed, because it can be found in the different worlds of society, economy and knowledge and not anymore confined to the offices and hallways our institutions. Thus, a program of large-scale experimentation is needed to regenerate institutions, a program able to strengthen administrations’ institutional capacity to manage change without suffocating it nor attempting to direct it. The State should accompany, enable, monitor and value such change by becoming a platform. A State-Platform will be ready to make his time, competences, human, technical and logistic resources available in order to organize processes and territorial laboratories where things begin to happen regardless of the administration, but in a more controlled and legitimate way. It will grant everyone the possibility to experiment, allowing everyone to be informed on what projects others citizens are undertaking and perhaps to join them. Making sure that basic norms on security and inclusion are respected, it should provide a free license to experiment and imagine. The multitude of mistakes made and even more of lessons learnt should become the base from which we begin to re-think the State in the XXI century.⁴

The model is closely paralleled by Abdullah Ocalan’s third principle of Democratic Confederalism, whose “decision-making processes lie with the communities.”

Higher levels only serve the coordination and implementation of the will of the communities that send their delegates to the general assemblies. For limited space of time they are both mouthpiece

¹John Restakis, *Cooperative Commonwealth & the Partner State* (The Next System Project, 2017) < <https://thenextsystem.org/sites/default/files/2017-08/JohnRestakis-1.pdf> >, p. 11

²Restakis, “Civil Power and the Partner State.” Keynote Address, Good Economy Conference, Zagreb 2015 <<https://commonsblog.files.wordpress.com/2007/10/restakis-civil-power-and-the-partner-state-excerpt.pdf>>.

³Christian Laione, “The Platform-State. Government as an enabler of Civic Imagination and Collaboration,” in *The City as a Commons Papers: The founding literature and inspirational speeches* (CO-Cities, LabGov et al, 2019), pp. 32-33.

⁴*Ibid.*, p. 34.

and executive institutions. However, the basic power of decision rests with the local grass-roots institutions.¹

Tommaso Fattori, an activist in the Italian Water Commons movement, discussed the Partner State in the context of commonification of public services:

The field of Commons can be for the most part identified with a public but not-state arena, in which the actions of the individuals who collectively take care of, produce and share the Commons are decisive and fundamental.

In this sense, Commons and commoning can become a means for transforming public sector and public services (often bureaucracy-bound and used to pursue the private interests of lobby groups): a means for their commonification (or commonalization). Indeed, there are many possible virtuous crossovers between the traditional public realm and the realm of Commons.

Commonification goes beyond the simple de-privatization of the public realm: Commonification basically consists of its democratization, bringing back elements of direct self-government and self-managing, by the residents themselves, of goods and services of general interest (or participatory management within revitalized public bodies). Commonification is a process in which the inhabitants of a territory regain capability and power to make decisions, to orientate choices, rules, and priorities, reappropriating themselves of the very possibility of governing and managing goods and services in a participatory manner: it is this first-person activity which changes citizens into commoners....

These are resources which do not belong to and which are not at the disposal of governments or the State-as-person, because they belong to the collectivity and above all, to future generations, who cannot be expropriated of their rights. Distributed participatory management and self-government, inclusion and collective enjoyment, no individual exclusive rights, prevalence of use value over exchange value, meeting of primary and diffuse needs: commons, in this understanding, means all these things.... This is a road which could be the beginning of a general transformation of the role of the state and of local authorities into partner state, "namely public authorities which create the right environment and support infrastructure so that citizens can peer produce value from which the whole of society benefits"....²

Massimo De Angelis sees the task of the commons movement as not only to build a counter-economy outside the state and capital, but also to shift the character of the state and capital themselves in a more commons-like direction through engagement with them.

A commons movement is not simply a movement against the valuation processes and injustices of capital as well as the hierarchies of the state, but a movement that seek [sic] to commonalize many functions now both in private and state hands, especially those functions that have to do with social reproduction, and that define the quality and the quality of services available....

Aside from the strategy of creating commons from the ground up ..., another strategy is to commonalize its existing private or public systems and transform them into resilient organisations, which in turn imply [sic], much deeper democratisation and cooperation, namely basic commons coordinates.

The objective to turn more and more spheres of societies into sustainable and resilient spheres thus coincides with that of adopting commons as a central kernel of the architecture of a new mode of production integrating many types of modes of production....

Commonalisation means to shift a public or private organisation into a commons or, more likely, into a web of interconnected and nested commons giving shape to metacommonality, with the overarching goal of resilience....

For a public institution or private corporation, commonalisation does not mean that a given final result is optimal, but that a process has begun along which there is a collective effort, through the commoners' democratic management of constraints, costs, and rewards, to increase all sorts of commoning across different social actors involved in the corporation or public service....

¹Abdullah Ocalan, *Democratic Confederalism*. International Initiative Edition (London and Cologne: Transmedia Publishing Ltd, 2011), p. 33.

²Excerpts from a text prepared by Tommaso Fattori as part of the book-project "Protecting Future Generations Through Commons", organized by Directorate General of Social Cohesion of the Council of Europe in collaboration with the International University College of Turin. Quoted in "FLOK Research Plan," *Commons Transition Wiki* <https://wiki.commonstransition.org/wiki/FLOK_Research_Plan>.

1. the parameter of democracy: democratisation of a state service or a corporation along a scale that has as its two opposite poles management versus direct democracy . . .;
2. maximum accountability and transparency and the ability to recall every public servant . . . and other stakeholder involved in the production of the service;
3. opening the boundaries between different types of practices and subjects thus allowing maximum cognitive diversity as well as increasing the porosity of the system boundaries to a variety of subjects, knowledges and practices . . .¹

He mentions *Barcelona en Comu* as an example, with experiments like participatory budgeting and open policy proposal wikis.²

It is important to remember that state agencies and capitalist corporations are not monoliths; they are governed by hierarchies precisely because the individuals and social groups within them all have interests that may not coincide with the official goals of the organization or the interests of its leadership, so that it becomes necessary to resort to power relations in order to enclose their cooperative interactions—interactions that may function, internally, on the basis of something like Graeber’s “everyday communism”—as sources of value for the organization.

As previously noted, authoritarian institutions are always subject to concupiscence, the kind of “war within their members” that St. Paul described in the individual. We already saw how this plays out in bureaucracies being hamstrung by their own internal rule. But it also shows itself through the converse: the fact that they’re made up of human beings with minds of their own who sometimes *don’t* stick to the script.

The commons sector can often hope to find friendly individuals and subcultures within the “Belly of the Beast.” We can pursue tactical alliances with dissident subgroups within the state bureaucracy, appealing to their genuine attachment to the stated missions of the agencies they work for in ways that undermine their real missions. As one possible example, De Angelis refers to the commons being able to make use of capital on favorable terms “because there is an echo of the commons inside capital or state systems, and thus it is possible to define meta-commonal relations across capital, state and commons.”³

David Bollier and Silke Helfrich take a similar view of the state, arguing that an understanding of how state power works leads to the inference that there is “no such thing as the state.”

A relational approach to state power helps us envision all sorts of piecemeal ways of advancing the commons. All can contribute to a more consequential, transformative agenda that will reconfigure power relations 1) within the state institutions; and 2) between them and commoners. If we can focus on the different agents and layers of state power instead of the fictional monolith known as “the state,” we can imagine other ways of involving the public in the day-to-day business of governing. We can get a glimpse of the possibilities in open platforms that invite citizens to help city councils in urban planning, government websites that encourage citizen feedback about public services, participatory budgeting programs that let citizens make spending decisions, and government support for co-housing and volunteer networks for the elderly. A fruitful collaboration between a commons and the state can arise because commoners can provide services that neither commercial enterprises nor government agencies can or want to provide.⁴

¹Massimo De Angelis, *Omnia Sunt Communia: On the Commons and the Transformation to Postcapitalism* (London: Zed Books, 2017), pp. 340-341, 344.

²*Ibid.* p. 45.

³*Ibid.* p. 322.

⁴David Bollier and Silke Helfrich. *Free, Fair and Alive: The Insurgent Power of the Commons* (Gabriola Island, B.C., Canada: New Society Publishers, 2019), pp. 289-290.

Once we choose to see the state not as an omnipotent monolith but as a configuration of power that varies a great deal and is even parochial and vulnerable in certain respects, we can begin to imagine ways to alter state power in piecemeal ways, as opportunities arise. We can see how social practices and relations can help us transform state power, at least at some incremental level. While modalities of governance and state authority vary immensely, people in more intimate local contexts experience politics as more accessible, adaptable, and accountable.¹

What are some examples of such policies? At the most general level, in March 2015—two months after the election—John Restakis called on the new Syriza government to adopt the following orientation toward the social economy:

First, it must move beyond traditional leftist statism to develop a role for government that understands how to democratize and share power with its citizens. This means understanding that the primary role of government in a nonpaternalistic and non-clientelistic paradigm is the empowerment and support of civil society for the production of social value—the creation of goods and services that place social needs ahead of private profit. Second, it means the creation of institutions, both legal and social, that can sustain the development and growth of the social economy independently of any political party that is in power. This means the reform of co-operative and social economy legislation, the creation of financial instruments for the social and ethical financing of social economy organizations, the establishment of educational and training institutes for the study of the theory and practice of cooperation, reciprocity, and service to the common good that are fundamental for a new political economy and the advancement of social and economic development. Third, it means the application of these principles beyond the non-profit and community service sector to the support and development of the wider economy, in particular for the small and medium firms that form the bedrock of most national economies. The principles that animate the social economy are a framework for the recovery and reform of the whole economy. And fourth, it means the reform of public services through the provision of control rights, transparency, accountability, and decision-making power to the citizens that are the users of these services. The insular, autocratic power of bureaucracy must be broken.²

That ship has already sailed, obviously; but it remains a useful summary of the Partner State approach. Maybe someday somebody will listen?

The local level is especially promising for the Partner State approach. Sheila Foster and Christian Iaione use the terms, variously, “urban collaborative governance,” “enabling state” and “relational state” as near-synonyms for Partner State at the urban level. This is what emerges when the city itself is run as a platform on the same basis as individual commons-based resources, i.e. when we “scale up from the individual resource to the city level the democratic design principles that already characterize existing urban commons management structures.” Urban collaborative governance

resituates the city as an enabler and facilitator of collaborative decision making structure(s) throughout the city, and attends to questions of political, social and economic inequality in cities.³

...These [democratic design] principles—horizontal subsidiarity, collaboration, and polycentrism—reorient public authorities away from a monopoly position over the use and management of common assets and toward a shared, collaborative governance approach. In other words, the Leviathan state gradually becomes what we call the facilitator, or enabling, state. The governance regime for shared urban resources becomes one without a dominant center but instead one in which all actors who have a stake in the commons are part of an autonomous center of decision making as co-partners, or co-collaborators, coordinated and enabled by the public authority.

Similarly, by thinking of the city itself as a commons, we might look beyond the reigning public regulatory regime in most cities to more collaborative and polycentric governance tools capable of empowering and including a broader swath of urban residents in decisions about resource access and distribution in the city.⁴

¹*Ibid.*, p. 294.

²Restakis, “Civil Power and the Partner State.”

³Sheila R. Foster and Christian Iaione, “The City As a Commons,” *Yale Law & Policy Review*, July 2016 <https://www.researchgate.net/publication/294090007_THE_CITY_AS_A_COMMONS_Final_Version>, p. 290.

⁴*Ibid.*, pp. 289-290.

... The facilitator state creates the conditions under which citizens can develop collaborative relationships with each other, and cooperate both together and with public authorities, to take care of common resources, including the city itself as a resource.¹

The local Partner State approach entails promoting an increasingly open-source or co-operative organization of local government services. Among other things, this might encompass open-source or wikified regulations, participatory budgeting, and the organization of public utilities as user-governed stakeholder cooperatives.

Wikified regulations, or open-source regulatory codes, are described by Nikos A. Salingaros and Federico Mena-Quintero:

In parallel to the free/open-source software movement, designing a city and one's own dwelling and working environment should be based upon freely available design rules rather than some 'secret' code decided upon by an appointed authority. Furthermore, open-source urban code must be open to modification and adaptation to local conditions and individual needs, which is the whole point of open-source.²

Let us consider briefly the kinds of participation that can be open to different people. Architects of course deal with the design of buildings. An architect familiar with the needs of a certain region may know, for example, that an 80cm eave is enough to protect three-metre tall storeys from rainfall, in a particular region with a certain average of wind and rain. A builder may be well versed in the actual craft of construction, that to build this kind of eave, with the traditional forms used in this region, requires such and such materials and techniques. The final dweller of a house will certainly be interested in protecting his windows and walls from rainfall, but he may want to have a say in what kind of window he wants: if he wants it to open to the outside, then it must not bump against the wide eave. Thus it is important to establish communication between users, builders, designers and everyone who is involved with a particular environment.

Our hypothetical rainy region will doubtless have similar problems to other similar regions in different parts of the world. P2P-Urbanism lets these geographically separated people connect together to learn from each other's experience. Trial-and-error can be reduced by being able to ask, "who knows how to build windows and eaves that will stand this kind of rainfall?", and to get an answer backed by evidence.³

Participatory budgeting and stakeholder cooperative governance of public services—the latter already suggested in as "commonification"—are too widely known to deal with in detail here. But anyone interested in pursuing the topic further can find enough sources to get started in Chapter Eleven of my previous book *Exodus*.⁴

Another useful approach to pushing local government in a Partner State direction lies in the administration of the welfare state, as described by Restakis. This entails performing welfare functions through "social economy organisations—whether they are co-operatives, volunteer organisations or social enterprises":

What we are arguing is that rather than repeating the mistakes of mass production state welfare systems of the mid-20th century, that a new form of social economy welfarism can be developed that takes further the social innovations developed by such jurisdictions as Italy and Quebec. There is an opportunity here to create new models of social welfare that learn from, and move beyond, the weaknesses of the old statist structures. Health, education, and other forms of social welfare are all open to more responsive, more flexible and ultimately more effective forms of care when coupled with the untapped power and potential of the social economy.

The application of social economy principles and practices, such as reciprocity and co-operation, and the emergence of democratic, distributed and user-controlled social care systems, may allow nation states to move to a new configuration of social welfare—that of the Partner State—which rein-

¹*Ibid.*, p. 335.

²Nikos A. Salingaros and Federico Mena-Quintero, "A Brief History of P2P Urbanism (*excerpts*)," in *Build the City: Perspectives on Commons and Culture* (Krytyka Polityczna and the European Cultural Foundation, 2015), p. 119.

³*Ibid.*, p. 121.

⁴Kevin A. Carson, *Exodus: General Idea of the Revolution in the XXI Century* (Center for a Stateless Society, 2021).

forces the rise of civil networks, supports new forms of social innovation and recognises the central role of civil society in promoting the common good, especially in the area of social care.¹

This approach could mean either disbursing state welfare spending through social economy organizations, or extending tax benefits to such organizations. But beyond this, it includes novel approaches like time banks and other social markets to aggregate the resources for caring functions.

One example is the Fureai Kippu system in Japan, in which volunteers earn reciprocal time credits for services from other members (including future elder care for oneself), in return for caring for their relatives.²

Fureai Kippu is one of many social healthcare efforts in a national cooperative network.

Over 120 co-operatives representing nearly three million members act as a forum where citizens discuss problems of health and daily life and endeavour to resolve them through actions taken in collaboration with the caregivers and health professionals of these establishments. Nurses, social workers, doctors, physiotherapists, and other health care professionals are active partners in what amounts to a community-led approach to health care.³

Similar cooperative approaches are also in widespread use in Italy.⁴

The Granularity of the System. In addition to the question of shifting the character of institutions, we should also bear in mind that the capitalist system as a whole, and the national polity as a whole, are not all-or-nothing affairs. That is, the system as a whole does not abruptly shift from “capitalism” to “post-capitalism,” with everything before the phase transition being characterized as “under capitalism” and thus inherently capitalist or coopted as a part of capitalism in its essence.

The system as a whole becomes less capitalist over time—just as the feudal system became less feudal over time—as its individual component institutions and subsystems take on a less capitalist character or people divert their energies and resources into new institutions of their own and suck energy from the old system. The system does not need to be brought down and transformed into something else as a whole before a successor system can be created piecemeal.

Every community land trust, every community workshop, every squat we create now makes the system less capitalist.

II. The Belly of the Beast, the Form of the Destructor, and the Concupiscence of Power

We've already taken note of the fact that institutions change over time.

In addition—rather than simply deriving their character in essentialist nature from the goals of their leadership or the role they play in the present system—*institutions are made up of human beings with minds of their own.*

Allanah Oleson, posting on Twitter as Your Friendly Butch Anarchist, makes an effective statement of why a primarily electoral strategy is doomed to cooptation, diversion, or obstruction. It's as good a statement as any as to why a postcapitalist transition strategy should pursue a dual track (the subject of the next chapter), with the primary focus being on the interstitial construction of counter-institutions, or pressure on the system from outside, rather

¹Restakis, “Public policy for a social economy,” *The Journal of Peer Production* No. 7 (July 2015) <<http://peerproduction.net/issues/issue-7-policies-for-the-commons/peer-reviewed-papers/policy-for-a-social-economy/>>.

²*Ibid.*

³Jean-Pierre Girard and John Restakis, “To Life! Japan’s model of cooperative health care & what it means for Canada,” *Making Waves* vol. 19 no. 1 (2008) <<http://www.communityrenewal.ca/sites/all/files/resource/MW190105.pdf>>, p. 6.

⁴Paul Gosling, *Social co-operatives in Italy: Lessons for the UK* (Social Enterprise London, 2002) <<http://socialeconomyaz.org/wp-content/uploads/2011/06/SocialCooperativesInItaly.pdf>>.

than getting people elected or appointed to positions within the system. But in the process, she also displays the essentialist fallacy and neglects the concupiscence of the system—the war within its own members:

It's not that the individual people who choose to try to change the system from within just uniformly have bad intentions from the start, it's that the nature of the SYSTEM is to require a thousand compromises on any counter-hegemonic values to succeed within it at all.

People who go in the political system with good intentions are either spat back out disillusioned, kept in minor bureaucratic positions with no real power, or so completely compromise on their initial values in order to succeed that they totally betray those intentions.

This is what makes it a system! It's not about bad individuals, it's the very nature of centralized power to organize itself in a way that protects its existence as centralized power. It's a network of social relations that require a new level of buy-in for each level of power.

Someone could genuinely approach that system with good intentions, goals, and values, and it won't matter. The political system isn't a singular, passive machine that operates solely at the behest of whoever is at the helm, it has a massive and complex ecosystem of its own.

Success and failure in that ecosystem, like all ecosystems, is absolutely dependent on one's ability to adapt and acquiesce to the demands of that system. It requires compromise on values that should never be compromised on and the stakes are people's lives.

The calculus in that system, regardless of initial intentions, will ALWAYS go from "how do I work to promote this value?" to "how to I keep my power?" It does so by necessity. Anyone in the political system not prioritizing the latter question will not succeed within it. Period.

Nearly all people are masters of self-deception, and it is entirely likely that some politicians who are prioritizing their own power believe that doing so is what will allow them to stay in the game long enough to promote a value in some form or another, but it IS a deception.

In that situation, people then just equate their ability to keep power with advocating for values. Power, regardless of the rhetoric employed to obfuscate it, becomes the end in and of itself. It becomes the primary value to which all else is subordinate.¹

This surely does happen a great deal. It's the basis of the Iron Law of Oligarchy. It's why Lenin eviscerated the soviets and factory committees. It's the reason for the divergence of Chavez and Maduro from the grassroots Bolivarian movement and the self-governing communal institutions at the neighborhood level. It's the reason for the split between Cooperation Jackson and Mayor Lumumba's administration. It's the reason Syriza betrayed the hopes of Syntagma.

But there's another side to it—even if it's not as prevalent, or as dramatically visible, as the phenomenon described above. Sometimes the people who work in institutions don't stick to the script. This is analogous to concupiscence—the war within an individual's members that St. Paul lamented, as a source of disordered conduct. The organization does not function as a single entity, because it consists of a large number of subunits and individuals that can only be imperfectly coordinated.

And there's also a converse form of concupiscence: sometimes the human beings making up organizations *do* stick to the script—even when the letter of the script directly impedes a common-sense understanding of an institution's primary purpose, or undermines the compromises and deals its leadership has made from less than savory motives. As a result, authoritarian institutions suffer to a considerable degree from the reverse form of concupiscence. Bureaucracies are hamstrung by their own internal rules. This results of necessity from the nature of hierarchical institutions as such.

The state, like any authoritarian hierarchy, requires standing rules that restrict the freedom of subordinates to pursue the institution's real purpose, because it can't trust those subordinates. The state's legitimizing rhetoric, we know, conceals a real exploitative function. Nevertheless, despite the overall functional role of the state, it needs standard operating procedures to enforce predictable behavior on its subordinates.

¹Allanah Oleson, Twitter, September 24, 2021
<https://twitter.com/butchanarchy/status/1441502919291858946>.

And once subordinates are following those rules, the state can't send out dog-whistles telling functionaries what "real" double-super-secret rules they're "really" supposed to follow, or to supplement the countless volumes of rulebooks designed to impose predictability on subordinates with a secret memo saying "Ignore the rulebooks." So, while enough functionaries may ignore the rules to keep the system functioning after a fashion, others pursue the letter of policy in ways that impair the "real" mission of the state.

Exploiting the capitalist state's rules against it is a powerful, low-cost weapon to impede its functioning. The state, like a demon, is bound by the laws and internal logic of the form it takes. To borrow a line from Ghostbusters, "Choose the form of the destructor." When a segment of the bureaucracy is captured by its own ideological self-justification, or courts by the letter of the law, they can be used as a weapon for monkey-wrenching the larger system. Bureaucrats, by following the letter of policy, often unwittingly engage in "work-to-rule" against the larger system they serve.

Unlike the state and other authoritarian institutions, self-organized networks can pursue their real interests while benefiting from their members' complete contribution of their abilities, without the hindrance of standard operating procedures and bureaucratic rules based on distrust. To put it in terms of St. Paul's theology, networks can pursue their interests single-mindedly without the concupiscence—the war in their members—that weakens hierarchies.

So we can game the system, sabotaging the state with its own rules.

At the same time, the kind of cooptation Oleson described above is more common in epochs where a class system like capitalism is ascendant and has an abundance of resources and slack, compared to the elements of the previous system still surviving within it, and to the seeds of the future system just emerging. On the other hand, when the dominant class system is on the decline—when it has reached its limits of growth, is resource-constrained, and has no slack, compared to the successor system rising within it—it is more likely to compromise with the elements of the successor system in order to buy a little more time. And the still-dominant, but dying, system is also more prone to internal divisions—to dissident elements within its ruling structure who are interested in cutting separate deals.

In addition to this, even reformist or essentially capitalist political figures like Bernie Sanders promote measures like Universal Basic Income, single-payer healthcare, and the like that create a more favorable background environment against which to carry out the primary task of interstitial construction. It helps if, like Gorz, we abandon the largely meaningless "reform" vs. "revolution" distinction and understand that the purpose of such "reforms" is not to construct post-capitalist society.

Christopher Wright elaborates on the possibilities presented by institutional divisions within the elite:

...[T]he point to keep in mind is that governments and ruling classes are not monolithic entities. *This fact is what makes possible a paradigm of revolution different from the orthodox Marxist one:* rather than the working class suddenly rising up as one in a titanic social explosion, bursting through the straitjacket of a unified ruling class that has refused to reform capitalism, what can and should happen—and has happened in the past—is that popular struggles exploit divisions in the ranks of the elite so as to achieve gradual (though not "smooth" or "peaceful") progress. Many wealthy people and institutions are reactionary, but many are progressive. In order to accomplish lasting, democratic change, it is necessary for popular movements to get some of the progressive elite at least partly and provisionally on their side. Universities, nonprofits, philanthropic foundations, liberal millionaires and billionaires, progressive businesses, and policymakers are just some of the entities whose wealth and influence can be critical to the success of a movement or a new idea. By any means necessary, one must get their (active or passive) support—because if it isn't forthcoming, the combined might of the reactionary and the liberal elite will squash the left.

Fortunately, the last 150 years of Western history have taught us that when crisis afflicts society, much of the "liberal" section of the elite is willing to favor measures that benefit the populace and are not dictated solely by the short-term interest of the capitalist class (or some narrow sector of it). There exist wealthy allies, or at least non-enemies, of environmentalism, public education and other public resources, civil liberties, the labor movement, infrastructure development, and the social and solidarity economy. As the reign of neoliberalism deepens the crises that beset the world, more and

more entities in the ruling class will divert more and more resources to assuaging popular discontent, in many cases by funding radical new initiatives such as have been surveyed here. The rot that runs through traditional government and civil society makes this “experimentalism” utterly predictable—because “desperate times call for desperate measures.”¹

In addition, there are likely to be actively hostile or disgruntled functionaries within the state apparatus who are willing to subvert its normal policies and procedures in alliance with radicals on the outside, or in the real interests of state clients. This is the subject of Jeanette Mitchell’s book *In and Against the State*.

We are a small group of people who work for the state or for organisations which receive money from the state. We are socialists. We believe that the struggle for socialism includes a struggle against the state—one in which we, as state workers, hold a key, and at the same time contradictory, position. If we are to work in and against the state, we must find ways of bringing the struggle for socialism into our daily work....

The state is not neutral. It does provide services and resources which most of us need—education, health care, social security. But it does not do so primarily for the good of the working class. It does it to maintain the capitalist system. Although the state may appear to exist to protect us from the worst excesses of capitalism, it is in fact protecting capital from our strength by ensuring that we relate to capital and to each other in ways which divide us from ourselves, and leave the basic inequalities unquestioned....

Those of us who work for the state are inevitably part of the state. We must find ways to oppose it from within our daily activity, which means breaking out of the social relations in which the state involves us and creating alternative forms of organisation as we struggle for socialism....²

She noted that, despite acknowledging the inadequacy of electoral politics, many socialists in the UK ran for local councils on the Labour Party ticket in hopes they could at least use their positions to do some good.

This ‘Labour left’ is important to other socialists who, however critical they may be of the Labour Party, know they benefit from the fact that occasionally Labour leftists are able to secure corners of government for relatively progressive policies and, at the worst, keep out the right—in the shape of Tories or the nationalist parties.³

Labour Party activists of Mitchell’s acquaintance “felt strongly that by being in, or close to, power, they had achieved a situation that could be milked for practical advantage to the working class.”

It had been possible, for instance, to give funding to certain radical community groups and projects; to work with squatting groups over the use of empty housing; to appoint race relations advisers to purge the council bureaucracy of racist practices—in their housing allocation among other things. It had even proved possible for a while to hold down council housing rents.⁴

Nevertheless, such activists reported being constantly faced with budgetary, legal, and other structural constraints that force them into what amounts to a managerial role.⁵ Yet there is still some leeway to bend the system. The result is that socialists within the state apparatus find themselves walking a tightrope.

How can we use our daily routine contact with the state (as ‘clients’ or as ‘employees’) to struggle against the state? This is the problem which cannot be avoided. On the one hand, we have seen that the idea that you can achieve socialism through the state is illusory: the state channels and fragments our struggles in such a way that socialism can never appear on the agenda. On the other hand, to assume that our routine contact with the state cannot be used in the struggle for socialism

¹Chris Wright, “Marxism and the Solidarity Economy: Toward a New Theory of Revolution,” *Class, Race, and Corporate Power* 9:1 (2021) <<https://digitalcommons.fiu.edu/cgi/viewcontent.cgi?article=1173&context=classracecorporatetpower>>, p. 42.

²“Preface to the First Edition,” Jeanette Mitchell *et al.* *In and Against the State*. Discussions by the London Edinburgh Weekend Return Group (Pluto, Autumn 1979) <<https://libcom.org/library/against-state-1979>>.

³Chapter 1, *Ibid.*

⁴*Ibid.*

⁵*Ibid.*

would be to condemn ourselves to the hopeless dilemma of after-hours socialism.... For those of us who work for a state or semi-state body, or who come into routine contact with the state, as claimants, or tenants, or councillors, for instance the question is inescapable: how do we work in and against the state?

... The problem of working in and against the state is precisely the problem of turning our routine contact with the state apparatus against the form of social relations which the apparatus is trying to impose upon our actions.

Now, it is very clear that the state apparatus is not neutral. The whole complex of rules, procedures, divisions of competence, the way that buildings are constructed and furniture designed—all seem to press our activities into a certain mould.... But it cannot be assumed that the form of state workers' activity is inevitably and completely determined by the state apparatus.

We have already seen examples of peoples' contradictory experience of the state, reflecting the contradictions and antagonisms of capitalist society. The process of state activity is continually interrupted by workers' behaviour being inconsistent with the aims of the state apparatus. Teaching is not *always* schooling kids for capitalism, community workers are not *always* acting as 'soft cops'.

... There is always a tendency for a break or disjuncture to exist between the state apparatus and the way it is trying to form our actions. The state apparatus, the network of rules and controls to which we are subject is a fossil, the outcome of past struggles to channel activity into the 'proper' form. As such, it is far from neutral, but it also has a certain hollowness and, if we are strong enough, brittleness. The rules are constantly being resisted and broken: the problem for us is how do we bend and break them in a politically effective way, in a way which would strengthen the struggle for socialism?

... To think that such a system based on antagonism could ever be stable, could ever be reduced entirely to routine habit, could ever reproduce itself 'normally' without conflict or disruption, as the bourgeoisie would have us believe, is nonsense....

... The antagonisms which constantly disrupt the flow of things outside the state find expression also in direct relation to the state apparatus. Often these antagonisms are expressed simply in individual acts of rebellion with little political consequence, but sometimes they take more significant forms: organisation by claimants, for instance or community workers joining tenants in protests against state housing provision. Everywhere cracks constantly appear in the relation between the state apparatus and the state as a form of capitalist social relations.¹

Besides bending the rules for somewhat better outcomes, state functionaries attempt to subvert the fundamentally capitalist nature of social relations within the state apparatus in a way reminiscent of John Holloway's call to stop reproducing capitalism.

Increasingly..., we are coming to realise that it is not enough to fight to keep hospitals open if we do not also challenge the oppressive social relations they embody; that it is insufficient to press for better student-teacher ratios in schools if we do not also challenge what is taught or how it is taught.... What has been missing is conscious struggle against the state as a form of the capital relation.

... As soon as you abandon the idea of the state merely as an institution, as a function, and begin to recognise it as a form of relations, a whole new way of struggle opens up. It is possible to see many courses of action that can challenge the form of the state's processes while we stay within the state. That is the point: such actions cannot be taken from outside the state, only from within.

... We may not make many of the important, top-level decisions or wield any of the serious sanctions. But in a practical day-to-day sense, state workers are the state. It only goes forward on our activities....

The fact that we are part of the state, in one way or another, however, gives us a small degree of power for change. This work of cleaning, caring, teaching, representing, moulding cannot be done by computer. Microchips are not enough to sustain and reproduce capital's social relations. This means we can understand and interrupt the process.²

Along with the optimistic approach encouraging the working class to participate in the process according to its own logic, and the pessimistic one of dismissing action within the state as useless because of its capitalist logic, Mitchell outlines a third alternative for state workers:

that of using the law, or state provision, to enable us to carve out a little corner in which we have freedom to organise things in our own way, a non-capitalist way. We may use state-paid salaries or

¹*Ibid.*, Chapter 3.

²*Ibid.*, Chapter 5.

state permission to set up a 'free school' for a small group of children, or a common ownership housing scheme or workshop. The idea behind this is that we may be able to make a little convivial, socialist clearing in the woods, which can encourage us and be an example to others.

But even that—while it may work to some degree—is not enough. What is ultimately required is challenging the state form "at a material level, through counter-organization."

For social workers this may mean not only confronting the idea that people's inability to manage on a low income is the result of personal inadequacies, but finding ways to embody this analysis in practice, for instance by helping 'clients' organise collectively to challenge the level of benefit they receive, and refusing to give them individual advice about budgeting. For teachers, it may mean introducing collective working rather than competition between students and organising with other teachers and perhaps even with students and parents too to defend this approach. For health workers it may mean not just pointing out the links between capitalist society and ill-health, but fighting for the right to give assistance to others involved with struggles against the causes of ill health (tenants with damp, workers facing a factory hazard) as part of their NHS work. These actions are material because they involve the concrete provision of skills and resources. They involve counter organisation in that they challenge bourgeois class practice.

The link between state workers and groups using state provision can be made most effectively, not by passing motions, but by action. For state workers this may mean providing concrete skills, resources or perspectives which assist the struggle of the 'client' groups—and being prepared to struggle within our own context to defend our decision to do this.¹

What Mitchell describes as "counter-organisation" is a lot like what others call "direct action":

Counter-organisation involves asserting our needs, our definitions. In the context of inescapable daily class antagonism, it means rejecting roles, ways of doing things and definitions which deflect and obscure this conflict. Oppositional action involves acting on our own understanding of class realities. At the same time it also means creating new social relations to replace the deforming ones through which the state contains class struggle. Counter-organisation challenges the traditional boundaries between 'clients' and workers and the non-class categories which we have described. The forms of organisation we have described involve ways of relating to each other which are anti-capitalist and at the same time, in a partial and temporary way, also socialist and feminist: moves towards collective rather than hierarchical ways of working, new relationships between men and women, between adults and children. It is using the ends which we seek as the means of achieving them. This is sometimes called 'prefigurative struggle.'

This approach leads us to reject the kind of political practice which involves thinking entirely in terms of demands. While it is important to demand resources, one thing we cannot ask for is new social relations: we have to make them. Relationships forged in the struggle are not a pleasant by-product of our activities, but an essential part of that struggle. They also let us see what might be possible in a post-capitalist society.²

State workers can "identify some space within the conditions of their relationship with the state" to "resist or challenge the forms of relations imposed on them."

We realise that these struggles, in themselves are not enough. They are often small, fragmented and isolated They and a growing network of struggles like them are essential, but their significance depends on the extent to which they are integrated into the general struggle for socialism.³

She mentions, in particular, tactics that sound like the "open mouth" and "good work":

Bus workers found that public protest about inadequate services helped them to put pressure on union officials to consider more militant action against the cuts. They also found that, as they were able to point to inadequate staffing, lack of spare parts for buses, bus users began to understand the connection between government cuts and why 'No Number 86 turned up the other night'. Organising a campaign together they later prevented fare increases of 24 per cent and plan in future to use

¹*Ibid.*

²*Ibid.*

³*Ibid.*, Chapter 6.

the tactic of refusal to collect fares, in which they feel the combined class strength of bus workers and users can best be applied.¹

In the case of state care workers, “[a] strategy of continuing to provide resources while refusing to impose the ‘state form’ on them may be far more threatening to the state than withdrawing labour. It will involve non-cooperation with management, refusal to recognise hierarchies and orders, the introduction of collective decision-making and new kinds of relationship with ‘clients.’” State workers may also stop limiting their actions to prescribed procedures within the system, and instead (e.g.) join clients on the picket line or join tenants in blocking bulldozers to challenge redevelopment projects.²

¹*Ibid.*

²*Ibid.*

The Danger of Diversion and Cooptation, Non-Reformist Reforms, and the Need for a Dual Track

Most varieties of anarchism, as well as other leftist movements with interstitial development models, have tended to emphasize the building of counter-institutions as a reaction not only against seizing political power, but frequently against engagement with the state as such.

The Danger of Cooptation. This aversion to engaging with the state is certainly understandable. There is a long and ugly history of transformational leftist movements being co-opted, betrayed, or suppressed by leftist parties in power.

The classic case is the new Bolshevik regime in Russia which, faced with the imperatives—as their leadership saw them—of staving off counter-revolution or defeat in a civil war, did things like suppress other parties of the left, turn the soviets into transmission belts for party and central government policy, and replace the factory committees with “one-man management” in the interest of increased war production.

In Venezuela, Chavez (to some extent) and Maduro (much more so) coopted or suppressed the Bolivarian movement’s communalist counter-institutions. The communes and their institutions were, for the most part, effectively coopted by the state’s distribution of oil revenue patronage, and subsumed as de facto transmission belts of state policy in a manner similar to what happened to the soviets under the Bolsheviks. Indeed, the entire communalist project has been weakened by the social sector’s heavy reliance on oil revenue from the state, hampering its ability to develop autonomous productive capacity independently of both the state and capitalist sectors. The Venezuelan state, in addition, has pursued largely the same developmentalist, authoritarian high modernist model as its neoliberal predecessors.

Miriam Lang, a professor from Ecuador, notes that it represents a broader problem of vanguardist culture in leftist electoral movements sapping social movements of their autonomy and initiative.

One problem is that the progressive governments, to the degree that their members came from social movement processes and protests with a left-wing political identity, have taken on a sort of *vanguard* identity, as if they know what people need.... And political participation has become a type of applause for whatever project the government leaders are proposing.... The lefts that come to lead in the state apparatus end up immersed in powerful dynamic characteristic of those apparatuses and they are transformed as persons, through the new spaces in which they move, because the logics of their responsibilities provide them with other experiences and begin to shape their political horizons as well as their culture. Their subjectivity is transformed, they embody the exercise of power.¹

In Greece, the Syriza political party did not so much coopt the social movements centered on Syntagma, as ignore them and sell them out altogether. States, as Theodoris Karyotis writes of Syriza, are “much more understanding of the type of struggles that envision a

¹“Latin America: End of a golden age? Franck Gaudichaud interviews Miriam Lang and Edgardo Lander,” *Life on the Left*, February 14, 2018 <<https://lifeonleft.blogspot.com/2018/02/latin-america-end-of-golden-age.html>>

stronger state as the mediator of social antagonisms.” Unfortunately, the Greek public’s relieved welcome for Syriza, motivated by a desire for a “demobilization, and... institutionalization of the struggles,” resulted “the curtailing of demands that did not fit into a coherent program of state management—including most projects that revolve around popular self-management of the commons.”

The “real constituent power,” Karyotis notes, “the real agents of social change,” are “tangible, everyday collectives and individuals rooted in concrete struggles at the local level, disrupting the flow of power and bringing forward alternatives.”

This warning is key: “we should beware the transformation of the party, initially approached as an ‘instrument’ of the movement, into an organizational and discursive center point”; “[G]etting sucked into the discourse of state administration and electoral politics entails a visible danger of incorporation of movements into the dominant political order.” Rather:

To approach self-determination, organized society should find creative ways to constitute itself as a counterpower, without becoming absorbed within the existing institutions of power. There is no doubt that the movements’ relationship with the state, even with a nominally “progressive” government, should remain autonomous, confrontational and antagonistic.¹

David Bollier and Silke Helfrich observe, similarly, that the Syriza coalition “discovered that its stunning electoral victory, nominally giving it control of a sovereign state, was not enough.”

The Greek state was in fact still subordinated to the power of international capital and the geopolitical interests of other states. The rise of Indigenous politician Evo Morales to the presidency of Bolivia revealed a similar lesson: even smart, well-intentioned electoral movements have trouble transcending the deep imperatives of state power because the state remains tightly yoked to an international system of capitalist finance and resource extraction.²

Andreas Karitzis ascribes Syriza’s failure to its almost exclusive focus on popular mobilization and electoral politics. He recommends, instead:

A network of resilient, dynamic and interrelated circuits of co-operative productive units, alternative financial tools, local cells of self-governance, community control over infrastructure facilities, digital data, energy systems, distribution networks etc. These are ways of gaining a degree of autonomy necessary to defy the despotic control of the elites over society.³

John Holloway sees socialist models based on taking state power not so much abolishing as reproducing the capital-labor relationship. It takes for granted the existence of alienated wage labor under capitalism, and juxtaposes to it institutional structures like corporate management and the state which are separate from and above it. The traditional Left aims at capturing such structures and using them for the benefit of labor:

...a movement that struggles to improve the living standards of workers (considered as victims and objects) immediately refers to the state. Why? Because the state, due to its very separation from society, is the ideal institution if one seeks to achieve benefits for people. This is the traditional thinking of the labor movement and that of the left governments that currently exist in Latin America.⁴

The state option, pursued by movements like Syriza and Podemos, “entails channeling aspirations and struggles into institutional conduits that, by necessity, force one to seek a

¹Theodoros Karyotis, “Chronicles of a Defeat Foretold,” *ROAR Magazine*, Winter 2015 <<https://roarmag.org/magazine/syriza-movements-power-commons/>>.

²David Bollier and Silke Helfrich, *Free, Fair and Alive: The Insurgent Power of the Commons* (Gabriola Island, B.C., Canada: New Society Publishers, 2019), p. 296.

³Bollier, “Andreas Karitzis on SYRIZA: We Need to Invent New Ways to Do Politics,” P2P Foundation Blog, Feb. 6, 2017 <<https://blog.p2pfoundation.net/andreas-karitzis-syriza-need-invent-new-ways-politics/2017/02/06>>.

⁴Amador Fernández-Savater, “John Holloway: cracking capitalism vs. the state option,” *ROAR Magazine*, September 29, 2015 <<https://roarmag.org/essays/john-holloway-cracking-capitalism-vs-the-state-option/>>.

conciliation between the anger that these movements express and the reproduction of capital.”

Because the existence of any government involves promoting the reproduction of capital (by attracting foreign investment, or through some other means), there is no way around it. This inevitably means taking part in the aggression that is capital. It’s what has already happened in Bolivia and Venezuela, and it will also be the problem in Greece or Spain.¹

As Holloway observes in his analysis of the Zapatista rejection of state power, “The state, any state, is so bound into the web of global capitalist social relations that it has no option, whatever the composition of the government, but to promote the reproduction of those relations”²

This applies, he argues, even to interstitial movements insofar as they interact with the state. Contact with the state

is not neutral: it tends to draw us into certain ways of doing things. We go to a state school or university and it pulls us into a certain type of education. We receive a state grant for studying or some other purpose and it too tends to impose certain conditions. An occupied factory seeks to avoid repression by seeking legal recognition of its status, but to do so, it has to satisfy certain requirements, fill certain forms, adopt a certain language. We occupy an empty warehouse and set up a social centre and then find that we can apply for a state subsidy to improve the building—and that we are more likely to receive it if we do not antagonise the local government too much. And so on. In some cases, some sort of state funding seems necessary for realising our collective project of an alternative doing. How, then, do we relate to the state and state funding?³

Ana Cecilia Dinerstein echoes Holloway on the essentially capitalist nature of the state, based on her experience of the “Pink Tide.”

On the one hand, new autonomous movements emerged and regarded themselves as *prefigurative*, for they offered a myriad of autonomous initiatives that shaped the politics of the time through radical pedagogies; cooperative work, art, entertainment and care; new forms of defending indigenous traditions and customs; horizontal democracy; environmental awareness and territorialized resistance cultivated in imaginative forms on a day-to-day basis in neighbourhoods, squares, the countryside, jungles, and harbours. This change in social movements and activism that expanded into Europe, (particularly but not exclusively Southern Europe), a decade later, indicated a shift from a *claim-making role* to a *prefigurative role* based on the articulation of alternative practices, which I have called ‘concrete utopias’.

However, what also became apparent during ‘the pink tide’ period, was that the integration of movements’ concrete utopias into the political, legal and policy instruments of governability required their deradicalisation. As left governments worked to incorporate movements’ ideas, demands and practices into state institutions, legal apparatuses and other state structures, (after initially repressing them, in some cases) they rendered *invisible* everything that does not fit into the State’s existing parameters of legibility. In doing so, they inhibited social movements’ most important innovations....

We should know by now that the state will never be *the* political form of organisation for radical change, but it is a political mediation. By political mediation I mean that the State is not simply an instrument of regulation, co-optation, coercion, and oppression. It is the political form of capitalist social relations and therefore intervenes in the process of shaping our form of existence and resistance. As a mediation, the state ‘intervenes’ in the appropriation of grassroots autonomous practices by power by legalising them or monetising them. In doing so, it works to force grassroots autonomous practice into forms which fit the capitalist/patriarchal/colonial demarcation of reality.

... [The Left] must recognise that the State is not a state *in* a capitalist society, i.e. a neutral arena on which the common good is decided, but a *capitalist* state. The state is a class state. Its ‘relative

¹*Ibid.*

²John Holloway, “Dignity’s Revolt,” in *We Are the Crisis of Capital: A John Holloway Reader* (PM Press, 2019), p. 135.

³Holloway, *Crack Capitalism* (Pluto Press, 2010), p. 58.

autonomy', makes both reform on behalf of the working class and capitalist accumulation possible, but the state will *ultimately* function to preserve a legal order based on private property.¹

In any case, Holloway argues, a movement focused on electoral politics will entail a selection of some priorities over others, and if allowed to will divert all the resources at its disposal to those priorities at the expense of the rest.

No matter how much lip service is paid to the movement and its importance, the goal of the conquest of power inevitably involves an instrumentalisation of struggle. The struggle has an aim: to conquer political power. The struggle is a means to achieve that aim. Those elements of struggle which do not contribute to the achievement of that aim are either given a secondary importance or must be suppressed altogether: a hierarchy of struggles is established So many struggles, so many ways of expressing our rejection of capitalism, so many ways of fighting for our dream of a different society are simply filtered out, simply remain unseen when the world is seen through the prism of the conquest of power

The party is the organisational form which most clearly expresses this hierarchisation. The form of the party, whether vanguardist or parliamentary, presupposes an orientation towards the state and makes little sense without it. The party is in fact a form of *disciplining class struggle*, of subordinating the myriad forms of class struggle to the overriding aim of gaining control of the state.²

The party's orientation toward the state, in fact, causes it to take on class characteristics of the state:

The state is not just any organisation, but a particular form of organisation, and to focus the struggle for change on the state has profound implications for the movement against capital. The state is a way of doing things: the wrong way of doing them. The state is a form of organisation developed over centuries as an integral part of the capitalist system. Capital is above all a process of separation: of the separation of the object of creation from the creating subject, of the subject from herself and those around her, of that which has been created from the process of creation, and so on. The state is part of this process of separation. It is the separation of the public from the private, of the common affairs of the community from the community itself. The state is an organisation separated from society, staffed principally by full-time officials. Its language and its practices express that separation: the language of officialdom, the practices that follow set procedures and formalities. The separation from society is policed by rules and hierarchies that ensure the maintenance of the established forms of behaviour. The relation of the state to society is an external relation: it relates to people as citizens (or non-citizens), as individuals abstracted from their social context and the particularities of their doing. It is only as such abstract atoms that the citizens can be represented—the passions and particularities of real people cannot be 'represented'. The state, by its very form, and independently of the content of its action, confirms and reproduces the negation of subjectivity on which capital is based. It relates to people not as subjects but as objects, or—and this amounts to the same thing—as subjects reduced to the status of mere abstractions.

A political organisation which focuses its action upon the state inevitably reproduces these characteristics of the state as a form of relations. To gain influence within the state or to capture what appears to be control over the state, the organisation must adopt those forms of behaving and thinking which are characteristic of the state. Thus, political parties, however left-wing or indeed 'revolutionary', are characterised by hierarchical structures and tend to adopt certain forms of language and behaviour which dovetail with those of the state. The external relation to society is reproduced in the concept of the 'masses'—a quantity of undifferentiated, abstract atoms, with limited capacities and in need of leadership.

These left-wing parties may well be anti-capitalist in their intentions, but in their forms of organisation and action they tend to reproduce the objectification of the person which is the core of capitalist social relations.³

¹Ana Cecilia Dinerstein, "Why does the political left fail grassroots movements?" *Open Democracy*, May 20, 2020 <<https://www.opendemocracy.net/en/opendemocracyuk/why-did-latin-americas-social-movement-governments-fail/>>.

²Holloway, *How to Change the World Without Taking Power*. New Edition. Instituto de Ciencias Sociales y Humanidades, Benemérita Universidad Autónoma de Puebla (Ann Arbor and London: Pluto Press, 2002, 2005), pp. 16-17.

³Holloway, *Crack Capitalism*, pp. 58-59.

Dual Strategy. Despite all these warnings, a primary focus on constructing counter-institutions—“building the new society within the shell of the old”—and not attempting to initiate a rupture, does not imply a refusal in principle to engage with the state in any way. Building prefigurative institutions at the local level is not sufficient by itself, without recognizing the real danger of repression by reactionary forces at the nation-state level.

The approach I recommend can be variously described as a “dual strategy,” “dual power,” or “division of labor.”

Efforts like Syriza and Podemos have been failures to the extent that they were tried as primary venues for implementing post-capitalist transitional agendas. But given a realistic view of their purpose and limit, they might have been quite useful for running interference on behalf of the local, prefigurative movements and giving them a safe space in which to grow.

In Erik Olin Wright’s schema the interstitial strategy is one of two “metamorphic” strategies; the other is “symbiotic,” which envisions treating the state as terrain for struggle “in which the possibility exists of USING THE STATE to build social power both within the state itself and in other sites of power.”

Although interstitial and symbiotic strategies are conceptually distinct, and their respective advocates sometimes disparage one other, Wright considers them potentially complementary.

Both envision a trajectory of change that progressively enlarges the social spaces of social empowerment, but interstitial strategies largely by-pass the state in pursuing this objective while symbiotic strategies try to systematically use the state to advance the process of emancipatory social empowerment. These need not constitute antagonistic strategies—in many circumstances they complement each other, and indeed may even require each other.¹

While sympathetic to the interstitial approach, Wright doubts that it is sufficient by itself. Although he advocates interstitial development of post-capitalist institutions as the primary strategy, he considers it necessary to combine it with some form of social democratic electoralism.

Interstitial strategies may create enlarged spaces for non-commodified, non-capitalist economic relations, but it seems unlikely that this could sufficiently insulate most people from dependency on the capitalist economy and sufficiently weaken the power of the capitalist class and the dependency of economic activity on capital accumulation to render the transition through the revolutionary scenario short and shallow. And while interstitial strategies may expand the scope of social empowerment, it is difficult to see how they could ever by themselves sufficiently erode the basic structural power of capital to dissolve the capitalist limits on emancipatory social change.²

Elsewhere he writes: “Eroding capitalism is not a fantasy. But it is only plausible if it is combined with the social-democratic idea of taming capitalism.”

We need a way of linking the bottom-up, society-centered strategic vision of anarchism with the top-down, state-centered strategic logic of social democracy. We need to tame capitalism in ways that make it more erodible, and erode capitalism in ways that make it more tamable.³

One reason for Wright’s pessimism regarding a purely interstitial strategy is that he rejects the assumption that capitalism is necessarily a system with an end as well as a beginning, or that interstitial processes of creating counter-institutions can exploit its systemic crises.⁴

Nevertheless, he is not necessarily pessimistic about the possibility of post-capitalist transition as such. As indicated above, he sees a role for the symbiotic approach of engaging the state alongside that of interstitial evolution in a larger metamorphic strategy.⁵

¹Erik Olin Wright, *Envisioning Real Utopias* (London and New York: Verso, 2010), p. 322.

²*Ibid.*, p. 335.

³Wright, “How to Be an Anticapitalist Today,” *Jacobin*, December 2, 2015 <<https://www.jacobinmag.com/2015/12/erik-olin-wright-real-utopias-anticapitalism-democracy/>>.

⁴*Ibid.*, pp. 89-107.

⁵Wright, *Envisioning Real Utopias*, pp. 335-336.

While he is wrong to neglect the fundamental shift in correlation of forces resulting from the terminal crises of capitalism interacting with new technical possibilities for production in the commons, Wright is entirely correct in refusing to treat the state as a monolithic entity, and in raising the possibility of engaging or transforming parts of it.

Even as seeming a hardliner against engaging with the state as Holloway rejects strategies based on purism, instead advocating a case-by-case approach—so long as it is a conscious one.

The Zapatistas take the radical position of refusing all state subsidies and avoiding all contact with the state in so far as possible: by creating their own schools and system of health care, for example. Some other radical groups (some, but not all, of the *piquetero* groups in Argentina, for example) take the opposite view, namely that to receive money from the state is simply to recover a small part of the social wealth that we have created, and that the important issue is not where the money comes from (since all wealth comes from the workers), but to find ways of asserting effective social control over the money (refusing state conditions and organising forms of directly democratic control of the use of the money). It is not necessary to say that either of these views is wrong or right. The important thing is probably the manner in which the decision is taken (and constantly subjected to question): its relation to the opening or closing of the crack in question will depend on the context of the struggle and should not be made a question of dogma. Above all, it can not be a question of purity. In a struggle in-against-and-beyond capitalism, there is no purity: what matters rather is the direction of the struggle, the movement against-and-beyond.¹

And despite her seemingly pessimistic analysis quoted earlier, Dinerstein likewise offered some hopeful advice for dual power movements on the ground and leftist electoral parties, in their relations with each other. The advice amounts, essentially, to the leftist parties standing to the side and handing the mic to the prefigurative movements, and to the movements constructing dual power to pressure the state toward a Partner State institutional model coextensive with civil society.

The question then is not how can left governments encourage radical change from the very institutions, political dynamics and structures of the State? The question is in what ways can prefigurative movements, grassroots innovative practices, and citizens' initiatives push for a *prefigurative translation* from the government? How can they prevent the government of the Left from transforming their radical action into governable practices, institutions, ideas, and legislation that will obliterate the concrete utopian element of their actions?...

By prefigurative translation I mean an engagement with the creative process of transformation that is already taking place at the grassroots, within what I call the 'beyond zone of movement collective action'. Prefigurative translation is a form of translation that requires co-construction of policy. But not only this. Such co-construction must engage with what is already being proposed and experienced by grassroots movements instead of attempting to filter radical elements to prevent them from entering the policy realm....

If the party recognises that change comes from below, from the process of deployment and expansion of movements' alternative-creating capacity, that is being experimented with in what I call the *beyond zone* of movements activity, policy should be *prefigurative too*. This means that the left in power should render *visible* what is already being proposed and experienced at the grassroots. This does not mean to 'learn' from the movement's alternatives, but to facilitate the emergence of a collective intellect that can create alternative forms of politics. That is to let the society in movement govern....

The vital goal of autonomous struggles is to overcome the differentiation between the state and civil society.²

Even acting from outside the state, elements of the existing system like the procedural rules of the regulatory bureaucracies and the judicial system can be turned against it and used as counterpowers (as we saw in the previous chapter).

On a more positive level, it's worthwhile to seek what André Gorz called "non-reformist reforms." So long as social democratic reforms are seen as a source of improved background

¹Holloway, *Crack Capitalism*, pp. 57-58.

²Dinerstein, "Why does the political left fail grassroots movements?"

conditions against which to pursue the construction of a post-capitalist, post-state society, and not the actual way to construct it, they can be of value. Because the workers' movement risks having any particular reform coopted by capitalism for its own purposes, it must be consciously guided by the "non-reformist" standard in pursuing reforms.¹

Is it possible from *within*—that is to say, without having previously destroyed capitalism—to impose anti-capitalist solutions which will not immediately be incorporated into and subordinated to the system?²

...[A non-reformist reform bases the possibility of attaining its objective on the implementation of fundamental political and economic changes. These changes can be sudden, just as they can be gradual. But in any case they assume a modification of the relations of power; they assume that the workers will take over power or assert a force (that is to say, a non-institutionalized force) strong enough to establish, maintain, and expand those tendencies within the system which serve to weaken capitalism and to shake its joints....]

...The only possible line for the movement is to seize, from the present on, those powers which will prepare it to assume the leadership of society and which will permit it in the meantime to control and to plan the development of the society, and to establish certain limiting mechanisms which will restrict or dislocate the power of capital.³

Whether a reform is "reformist" or "non-reformist" depends not on whether it presents an obvious and objective appearance, to both capital and labor, of incompatibility with the present power structure. It depends on how it will affect the long-term balance of power between labor and capital, and be exploitable by the former as leverage against the latter to impose still further concessions in the future.

Non-reformist are also distinguished from reformist reforms by who controls the implementation.

Structural reform is by definition a reform implemented or controlled by those who demand it. Be it in agriculture, the university, property relations, the region, the administration, the economy, etc., a structural reform *always* requires the creation of new centers of democratic power.

...[S]tructural reform always requires a *decentralization* of the decision making power, a *restriction on the powers of State or Capital*, an *extension of popular power*, that is to say, a victory of democracy over dictatorship of profit. No nationalization is *in itself* a structural reform.⁴

The alternatives can also be framed as "subordinate" vs. "autonomous" powers. The pursuit of autonomous power is "a strategy of *progressive* conquest of power by the workers..."⁵

...To assert that every reform, so long as political hegemony does not belong to the working class, is of a reformist character and only results in a preservation of the system, making it more tolerable, is to argue from a fallacious schematicism insofar as workers' power is concerned. For while it is true that every reform (for example, nationalization and economic planning) is absorbed a system and ends up by consolidating it so long as it leaves the power of the capitalist state intact, and as long as it leaves the execution and administration of the reform in the hands of the State alone, it is also true, inversely, that every conquest of *autonomous* powers by the working class, whether these powers be institutionalized or not, will not attenuate class antagonisms but, on the contrary, will accentuate them, will yield new opportunities for attacking the system, will make the system not more but less tolerable by sharpening the conflict between the human demands of the workers and the inert needs of capital. One must indeed be a poor Marxist to believe that in the framework of the capitalist relationships of production, the fundamental contradictions between labor and capital can be attenuated to the point of becoming acceptable when the workers' local conquest of power gives them a richer and more concrete consciousness of their power as a class.⁶

Harry Cleaver proposes, in place of the old distinction between reform and revolution that dominated the Old Left, the *Midnight Notes Collective's* distinction between "inside

¹André Gorz, *Strategy for Labor: A Radical Proposal* (Boston: Beacon Press, 1964), pp. 5, 8.

²*Ibid.* p. 6.

³*Ibid.* p. 8.

⁴*Ibid.* p. 8n.

⁵*Ibid.* pp. 9-10.

⁶*Ibid.* p. 33.

capitalism (i.e., consistent with its dynamic) or *outside* of it (i.e., *autonomous*, constituting real alternatives)."¹ He quotes their *Promissory Notes* pamphlet:

...[A]utonomous struggles strive to create social spaces and relations that are as independent of and opposed to capitalist social relations as possible. They may directly confront or seek to take over and reorganize capitalist institutions (a factory, for example) or create new spaces outside those institutions (e.g., urban gardening or a housing cooperative) or access resources that should be common. They foster collective, non-commodified relations, processes, and products that function to some real degree outside of capitalist relations and give power to the working class in its efforts to create alternatives to capital.

This takes us back to Cleaver's ruptural strategy of opening, expanding and linking up spaces outside the logic of capital:

If Marx's perception was correct, and I think our historical experience since his time has confirmed it, we are no more likely to be able to abolish money all at once than we are to abolish capitalism as a whole. If so, then it seems to me, the most practical and productive way to proceed is to examine the steps that we have taken in the past, and that we might take in the future, to figure out how to advance progressively toward both objectives. Those steps include both those that restrict the sphere of money and exchange—while expanding spheres free of it—and those that involve the diversion of money for our own purposes, including funding programs designed to reduce or eliminate the need for it. As we strive to marginalize and ultimately squeeze money, exchange, markets, and capitalism entirely out of our lives, both kinds of steps constitute a subversion of capital's own use of money.¹

I don't think any of the old privileged strategies of attacking the state with the objective of abolishing it immediately and in toto, or trying to build a cadre of professional revolutionaries to talk everyone else into uniting to overthrow the government and seize state power, are likely to be any more effective in getting us beyond capitalism in the future than they have been in the past. Instead it seems to me that the best we can do is to be clear about what, concretely, we want to get rid of, and then set about trying to do so, while simultaneously fighting for more time, space, and resources to experiment with, and elaborate alternatives to virtually every aspect of capitalist society.²

Non-reformist reforms, we should emphasize, are not limited to any particular level of government. Paul Mason writes of policy measures that, by shifting bargaining power and lowering the rate of extraction, simultaneously promote both postcapitalist transition and liberal capitalism in the interim. At the municipal level, in the event of a city like Barcelona adopting basic income and promoting commons-based peer production, he asks,

Would capitalism collapse?

No. The desperate, frantic "survival capitalists" would go away—the rip-off consultancies; the low-wage businesses; the rent-extractors.

But you would attract the most innovative capitalists on earth, and you would make the city vastly more livable for the million-plus people who call it home.³

Of course walking the line between reformist and non-reformist reforms can be hazardous. We've already seen, in Chapter Ten, that ruling classes can be pushed off-balance and forced to retreat great distances when sufficiently afraid. They are capable of making enormous concessions when forced to it; at the same time, as Colin Barker argues, they will attempt to structure the concessions in such a way that they can be either coopted or reversed.

Such developments [mass mobilization and popular seizure of initiative] often throw ruling classes into disarray. The normal basis of their rule assumes the relatively "tractable" nature (Edmund Burke) of those they dominate, a condition that depends on their "knowing their place" and—above all—not acting and organizing collectively. "Normality," as historian Lawrence Goodwyn puts it nicely, is a condition where "a relatively small number of citizens possessing high sanction move about in an authoritative manner and a much larger number of people without such sanction move

¹Harry Cleaver, *Rupturing the Dialectic: The Struggle Against Work, Money, and Financialization* (Chico, Oakland, Edinburgh, Baltimore: AK Press, 2017), pp. 240-241.

²*Ibid.* p. 266.

³Paul Mason, "Postcapitalism and the City," P2P Foundation Blog, October 12, 2016 <<https://blog.p2pfoundation.net/postcapitalism-and-the-city/2016/10/12>>.

about more softly.” The partial or large-scale upsetting of that condition can compel the powerful to stutter and fall back, sometimes to concede something. But only for a while: ultimately, an “organized people” (or “an organizing people”) is an intolerable constraint on ongoing exploitation and oppression. By one means or another, by some variable mixture of repression and/or compromise and co-optation, ruling elites will attempt to claw back their position and remove or reduce the threats posed by the very existence of popular movements. They will look for ways to reduce movement impacts, not least by seeking allies from *within* the movement who reject its further potential radicalization.¹

Our strategy must be just the reverse. Occasions in which ruling classes are caught at this kind of disadvantage are relatively infrequent and unpredictable. A refusal to make electoral or political action our primary focus does not, by any means, rule out taking advantage of such occasions when they arise—seizing the momentum, and pushing the ruling classes and their state as quickly and as far as we can while we can.

But it is imperative that, in whatever concessions we can force from them, the concessions be structured in such a way as to minimize the likelihood of cooptation or reversal. Non-reformist reforms include ensuring that what reforms are adopted take a form most likely to be irreversible. It includes not only the internal organization of reformist policies along lines of self-management (Morrison vs. Corbyn, etc.) but tying them down externally with a myriad of anti-capitalist relationships in order to minimize or dilute neoliberal influence on them. Self-management and commons governance must be pushed to their absolute high tide mark, submerging as many areas of life as possible and reorganizing them on that basis in a manner intended to last. Barker, writing with Gareth Dale, cites the “productive reconstruction” strategy advocated by Panagiotis Sotiris:

We must think of “productive reconstruction” not as a “return to growth” but as a process of transformation and intense confrontation with capital, based upon public ownership, self-management, and forms of workers control. It has to be a process of experimentation and learning. Contemporary forms of solidarity, of self-management, of alternative non-commercial networks of distribution, of open access to services, the discussions on how to use the public sector or how to run public utilities are not only ways to deal with urgent social problems. They are also experimental test sites for alternative forms of production and social organization, based upon the “traces of communism” and collective inventiveness and ingenuity in contemporary resistances and everyday gestures of solidarity—something exemplified in the myriad acts of solidarity in Greece during the refugee crisis.

“Central to that reconstruction,” Barker and Dale continue, is a shaping of society as a whole outside the movement’s engagement with the state:

the expansion of new forms of popular democratic power, of workers’ control, of solidarity and coordination that lie beyond the scope, and indeed the competence, of mere parliamentarism. If “social revolution” is again to belong on the agenda of the Left, that is where it must find its center: not simply in a change of government, but in the remaking of power and control across the whole face of society, a remaking that must—here Sotiris cites Antonio Gramsci’s *Prison Notebooks*—attend to the “molecular” forms of historical change, that is to say, the multifarious, complex, and non-deterministic ways in which social practices are continually being reshaped.²

Regarding the slippery distinction between “reform” and “revolution,” and the question of the relationship of commons-based counter-institutions to the existing system during the

¹Colin Barker, “Chapter 1: Social Movements and the Possibility of Socialist Revolution.” In Colin Barker, Gareth Dale, and Neil Davidson, eds., *Revolutionary Rehearsals in the Neoliberal Age* (Chicago: Haymarket Books, 2021), pp. 68-69. Pagination from pdf at Library Genesis <<http://library.lol/main/6214Co42A98CA68BB9CAEF6B17BFCE2o>>.

²Colin Barker and Gareth Dale, “Introduction.” In Barker *et al*, eds., *Revolutionary Rehearsals in the Neoliberal Age*, pp. 42-44. Quote from Panagiotis Sotiris, “The Realism of Audacity: Rethinking Revolutionary Strategy Today,” *Salvage*, 2015, <https://salvage.zone/online-exclusive/the-realism-of-audacity-rethinking-revolutionary-strategy-today/>.

transition process, Vangelis Papadimitropoulos's threefold classification schema of analytic approaches—liberal, reformist, and anti-capitalist—is useful.

Whereas the liberal theory places the Commons between the state and the market, the reformist theory argues for the reforms necessary that could force capitalism to adjust to the Commons in the long run. In contrast to both the liberal and the reformist, the anti-capitalist theory supports the development of the Commons against and beyond capitalism.

That is, the liberal theory assumes the commons will coexist alongside state and market, as parts within a functional division of labor, as a normal state of affairs which persists indefinitely. The reformist theory views capitalism as a system with an end, but sees that end as a gradual process that will be brought about by capitalism adjusting to the commons over the long run. The commons will “replace capitalism from within, just as capitalism did with feudalism.... Commons-based peer production can beat capitalism on its own ground: that is, competition. Technology can render the Commons more competitive in relation to capitalism and pave the way for a post-capitalist ethical economy supported by a partner state”—i.e., something like Erik Olin Wright's “symbiotic” approach. The anti-capitalist view is closer to what Wright called “interstitialist”: it sees the commons as eventually supplanting the state and capital, but without engaging or reforming them to in any significant degree during the transition process.¹

The anti-capitalist view, of which Papadimitropoulos treats George Caffentzis and Silvia Federici as representative, agrees with the reformists that capitalism will come to an end. In the meantime, the commons serve as an ecology of counter-institutions that protect us from the worst aspects of capitalism; but beyond that they will also serve as the seeds of the successor society:

From the ‘free software’ to the ‘solidarity economy’ movement, a whole world of new social relations is coming into existence based on the principle of communal sharing, sustained by the realization that capitalism has nothing to give us except more misery and divisions. Indeed, at a time of permanent crisis and constant assaults on jobs, wages, and social spaces, the construction of commons—‘time banks’, urban gardens, Community Supported Agriculture, food coops, local currencies, ‘creative commons’ licenses, bartering practices—represents a crucial means of survival. In Greece, in the last two years, as wages and pensions have been cut on average by 30 percent and unemployment among youth has reached 50 percent, various forms of mutual aid have appeared, like free medical services, free distributions of produce by farmers in urban centres, and the ‘reparation’ of the electrical wires disconnected because the bills were not paid.

However, commoning initiatives are more than dikes against the neoliberal assault on our livelihood. They are the seeds, the embryonic form of an alternative mode of production in the make. This is how we should view also the squatters' movements that have emerged in many urban peripheries, signs of a growing population of city dwellers ‘disconnected’ from the formal world economy, now reproducing themselves outside of state and market control.²

... Today we see only fragments of this world (in the same way as in late Medieval Europe we may have seen only fragments of capitalism) but already the commons we build should enable us to gain more power with regard to capital and the state and embryonically prefigure a new mode of production, no longer built on a competitive principle, but on the principle of collective solidarity.³

The anti-capitalists differ from the reformists in that they see no point in trying to change the character of capitalist institutions in the interim, or shift the capitalist system from within. In fact attempting to do so carries the risk of cooptation, with capitalism (for example) incorporating free and open-source information into its physical production models and thereby prolonging its own life.

¹Vangelis Papadimitropoulos, “The Politics of the Commons: Reform or Revolt?” *tripleC* 15/2 (2017) <https://www.triple-c.at/index.php/tripleC/article/view/852>, pp. 563, 568.

²George Caffentzis and Silvia Federici, “Commons against and beyond capitalism,” *Community Development Journal* Vol 49 No S1 (January 2014), p. 195.

³*Ibid.*, p. 1101.

They argue that the digital or immaterial Commons cannot have an autonomous substance in their own right, as they depend for their reproduction on both capitalism and the material commons. The digital or immaterial Commons should connect instead to the material Commons and form an alliance of anti-capitalistic Commons developing against capitalism....

But as Papadimitropoulos points out, the fact that both reformists and anti-capitalists see the end of capitalism as a prolonged process, in which the commons exist within the interstices of the old society, renders the precise boundary between them rather unclear.¹

What both the liberal and the anti-capitalist versions of the Commons... miss is the likelihood of technology bridging the gap between material and immaterial production, thus challenging the monopoly of capitalism on the means and resources of production. The combination of the Internet, free software, 3D printers and artificial technology may render large-scale material production redundant, forcing corporations to adapt in the long run to the decentralisation and commonification of production. Therefore, the model of an open cooperativism between ethical market entities, the partner state and the Commons carries significant potential for the future development of the Commons, since corporatism and the state are not going to wither away anytime soon.²

What the anti-capitalist version misses in comparison to the reformist is a 'realistic' plan of a transition from capitalism to the commons....³

Most importantly, as already suggested, the two approaches—exodus by means of a counter-economy created outside the capitalist system, on the one hand, and shifting the character of the overall system and its legacy institutions from within on the other—are not mutually exclusive. Regardless of what terminology is used, the fact of the matter is that all commons-based institutions, no matter how anti-capitalist the intent of those participating in them, will interact to some extent with the capitalist system as a matter of simple necessity. Since the anti-capitalists themselves recognize that the commons will exist alongside capitalism for some indeterminate period of time, there's no reason the commons cannot attempt to condition the institutions of capital and state at the same time they're constructing the successor society.

What's more, institutions that were governed by the core logic of one system may well navigate the systemic transition while maintaining the same name and some degree of institutional continuity, despite a change in character corresponding to their relationship to the changing larger system in which they are embedded. A craft guild in 1500 might have the same name as, and organizational continuity with, a craft guild that existed in 1200; yet in the one case it would be a mercantile capitalist corporation, and in the other a democratically governed federation of master craftsmen, with its character in both cases defined by the respective capitalist and feudal systems of which it was a part.

As we saw in Chapter Ten, it is quite possible to force concessions from the state and capital. Indeed, as Graeber points out, the state will often make major concessions in order to coopt the moderate opposition while tightening security—usually via wars or “internal security threats”—to control the radicals. The one imperative, above all, is to eliminate the plausible promise and engineer a widespread sense of despair that the system is inevitable and will never be altered in its essential structure.

Hopelessness isn't natural. It needs to be produced. If we really want to understand this situation, we have to begin by understanding that the last thirty years have seen the construction of a vast bureaucratic apparatus for the creation and maintenance of hopelessness, a kind of giant machine that is designed, first and foremost, to destroy any sense of possible alternative futures. At root is a veritable obsession on the part of the rulers of the world with ensuring that social movements cannot be

¹Papadimitropoulos, “The Politics of the Commons,” p. 573.

²*Ibid.*, p. 575.

³*Ibid.*, p. 576.

seen to grow, to flourish, to propose alternatives; that those who challenge existing power arrangements can never, under any circumstances, be perceived to win.¹

This is a highly failure-prone strategy, however. Any perceived success or breakout by the opposition is likely to produce a snowball effect of hope and further resistance, and so on.

If the story of the global justice movement tells us anything it's that the moment there appears to be any sense of an opening, the imagination will immediately spring forth. This is what effectively happened in the late '90s when it looked, for a moment, like we might be moving toward a world at peace. In the US, for the last fifty years, whenever there seems to be any possibility of peace breaking out, the same thing happens: the emergence of a radical social movement dedicated to principles of direct action and participatory democracy, aiming to revolutionize the very meaning of political life. In the late '50s it was the civil rights movement; in the late '70s, the anti-nuclear movement. This time it happened on a planetary scale, and challenged capitalism head-on. These movements tend to be extraordinarily effective. Certainly the global justice movement was. Few realize that one of the main reasons it seemed to flicker in and out of existence so rapidly was that it achieved its principle [sic] goals so quickly. None of us dreamed, when we were organizing the protests in Seattle in 1999 or at the IMF meetings in DC in 2000, that within a mere three or four years, the WTO process would have collapsed, that "free trade" ideologies would be considered almost entirely discredited, that every new trade pact they threw at us—from the MIA to Free Trade Areas of the Americas act—would have been defeated, the World Bank hobbled, the power of the IMF over most of the world's population, effectively destroyed. But this is precisely what happened.²

...Nothing terrifies the rulers of the world, and particularly of the United States, as much as the danger of grassroots democracy. Whenever a genuinely democratic movement begins to emerge—particularly, one based on principles of civil disobedience and direct action—the reaction is the same; the government makes immediate concessions (fine, you can have voting rights; no nukes), then starts ratcheting up military tensions abroad. The movement is then forced to transform itself into an anti-war movement; which, pretty much invariably, is far less democratically organized. So the civil rights movement was followed by Vietnam, the anti-nuclear movement by proxy wars in El Salvador and Nicaragua, the global justice movement, by the "War on Terror."³

Maintaining the plausible promise of the movement—and particularly the visibility of the social alternatives its members create for themselves—is more important than the actual concessions forced from the state. The concessions are important in their own right, not only in signaling a shift in the correlation of forces and encouraging further resistance, but in providing a base to build further on ("non-reformist reforms"). (The "plausible promise" of a movement's goals, according to networked conflict and asymmetric warfare specialist John Robb, "by making successful attacks, an alpha release if you will, on the target. If done correctly, this proves that the target is vulnerable and the war has the possibility of being won.")⁴

And the greater the proliferation of alternatives we create for ourselves in the interstices opened up by these concessions, the harder it will be for the capitalist state to close those openings back up. The more visible they are, the more they will contribute to the perception that the state's concessions were forced from it, and reinforce its image of powerlessness. Visible alternatives like solidarity economies—occupied factories, squats, landless peasant movements, neighborhood assemblies, mutual aid projects—

shatter the sense of inevitability, that the system must, necessarily, be patched together in the same form—this is why it became such an imperative of global governance to stamp them out, or, when that's not possible, to ensure that no one knows about them. To become aware of it allows us to see everything we are already doing in a new light. To realize we're all already communists when work-

¹David Graeber, *Revolutions in Reverse: Essays on Politics, Violence, Art, and Imagination* (London, New York, and Port Watson: Minor Compositions, 2011), pp. 31-32.

²*Ibid.*, p. 33.

³*Ibid.*, p. 34.

⁴John Robb, "Starting an Open Source War," *Global Guerrillas*, March 24, 2006 <https://globalguerrillas.typepad.com/globalguerrillas/2006/03/starting_an_ope.html>.

ing on a common projects, all already anarchists when we solve problems without recourse to lawyers or police, all revolutionaries when we make something genuinely new.¹

There are also forms of direct action that reduce the system's overall power and undermine its ability to react. Debt, for example, "has shown itself to be the point of greatest weakness of the system"² Things like debt strikes and coordinated defaults—both defaults on private debt domestically, and on private and public debt internationally—not only offer the possibility for a snowballing crisis that will challenge the state's resources, but a mechanism for building a sense of mass solidarity among millions of people.

The goal should be to keep the state and capital perpetually off-balance with a virtuous cycle of concessions creating demand for further concessions, combined with an expanding ecosystem of dual power institutions, in a way that generates a sense of momentum beyond the state's ability to co-opt.

This is even better if it coincides with broad terminal crises that undermine the state's material capacity to suppress alternatives:

And the same terminal crises that weaken the state's repressive power weaken its cooperative power; with its reduced material capacity to wield the stick comes a reduced capacity to offer the carrot. As a result, the plausible promise of the movement for a post-capitalist society becomes its potential as a lifeline for survival.

One might speak here of the promise made us by the state; that if we abandon any right to collectively manage our own affairs, we would at least be provided with basic life security. Or of the promise offered by capitalism—that we could live like kings if we were willing to buy stock in our own collective subordination. All of this has come crashing down. What remains is what we are able to promise one another. Directly. Without the mediation of economic and political bureaucracies. The revolution begins by asking: what sort of promises do free men and women make to one another, and how, by making them, do we begin to make another world?³

Coming from the opposite direction, even a Marxist like Ralph Miliband saw the successful transformation of state and economy by a socialist regime as impossible without a dual approach, in partnership with a wide range of radical counter-institutions in civil society (although, of course, he saw the workers' party in power as primary driver of the transition).

This emphasis on constitutionalism, electoralism, and representation is certainly crucial in the definition of 'reformism'. But it is often caricatured by its opponents on the far left as a necessarily exclusive concern with electoral success and increased representation. In fact, 'reformism' is also compatible, both theoretically and practically, with forms of struggle which, though carried on within the given constitutional framework, are not related to elections and representation—for instance industrial struggles, strikes, sit-ins, work-ins, demonstrations, marches, campaigns, etc., designed to advance specific or general demands, oppose governmental policies, protest against given measures, and so on.⁴

Miliband, running through a scenario in which a radical socialist party wins an overwhelming electoral victory within a bourgeois democratic constitutional system, argues that the only way such a government can overcome large-scale passive sabotage by the state bureaucracy and by capitalist industry—not to mention the possibility of coup attempts or terrorism—is through a dual power strategy of radically restructuring the state, combined with the creation of an entire ecology of popular institutions permeating the whole society. Intense activism by the latter institutions will run interference for the party in government, and provide political cover for its vigorous pursuit of a socialist agenda.⁵

¹Graeber, *Revolutions in Reverse*, pp. 37-38.

²*Ibid.*, p. 38.

³*Ibid.*, p. 39.

⁴Ralph Miliband, *Marxism and Politics* (Oxford, London, Glasgow, New York, &c.: Oxford University Press, 1977), p. 161.

⁵*Ibid.*, pp. 183-190.

The primary differences between the dual strategy described by Miliband, and what we advocate here, are

1) that the overall strategy in which the electoral and activist efforts are engaged is one, not of seizing power, but of interstitial transition (such that the primary goal of the electoral effort is simply to create the best possible background conditions for interstitial construction of post-capitalist society outside the state); and

2) that the electoral effort is clearly secondary, and those engaged in the process of interstitial construction must not in any way delegate or concede any authority to political parties of the Left in government to limit their activity. The electoral parties exist primarily to create favorable conditions for interstitial development, to run political interference for it, and to play good cop to its bad cop in negotiating with the ruling class.

Immanuel Wallerstein advocated a similar strategy of simultaneously engaging the state with the primary goal of mitigating harm, and building independent social structures of our own. There is no way of avoiding the necessity for

short-term defensive action, including electoral action. The world's populations live in the present, and their immediate needs have to be addressed. Any movement that neglects them is bound to lose the widespread passive support that is essential for its long-term success. But the motive and justification for defensive action should not be that of remedying a failing system but rather of preventing its negative effects from getting worse in the short run.

But this must be combined with "the establishment of interim, middle-range goals that seem to move in the right direction."

I would suggest that one of the most useful—substantively, politically, psychologically—is the attempt to move towards selective, but ever-widening, decommodification.... Industries, especially failing industries, should be decommodified. This does not mean they should be 'nationalized'—for the most part, simply another version of commodification. It means we should create structures, operating in the market, whose objective is performance and survival rather than profit. This can be done, as we know, from the history of universities or hospitals—not all, but the best. Why is such a logic impossible for steel factories threatened with delocalization?¹

Graeber recommended what he called "dual sovereignty," because "we're not going to have an insurrectionary moment where the state just falls away."

That's one reason I'm so interested in Rojava, which is in a way historically unique, because the same people created what are essentially both sides of a dual power situation. In Northeast Syria right now ..., have both a top-down and a bottom-up structure. The first is they can deal with the international community and people who expect there to be something that looks like a state, with ministers, a parliament, and so on; and the bottom-up as a form of constituent direct democracy, based on nested assemblies which start with just a few hundred people. They insist it's not a state, though, because anybody with a gun is answerable to the bottom-up groups rather than the top-down ones. The top-down ones are just there for administrative purposes, guidance, negotiating with outsiders ... rather like an Amazonian chief, in fact.

(...or like a Partner State.)

One reason that even as an anarchist I get along with a lot of the Labour left in the UK is that they understand this. They actually say "We don't want to co-opt the extraparliamentary left. We want to have you out there on the streets doing things more radical than we can, so as to create a synergy which will drive the general direction of society to the left."²

Christopher Wright's analysis dovetails with that of the previous thinkers surveyed, in framing the transition in terms of the shifting correlation of forces within the existing society. He states his project as "[reorienting] the Marxian conception of socialist revolution"

¹Immanuel Wallerstein, "Revolts Against the System," *New Left Review* 18 (November-December 2002) <https://newleftreview.org/issues/II/8/articles/immanuel-wallerstein-new-revolts-against-the-system>.

²Graeber, *Anarchy—In a Manner of Speaking*. Conversations with Mehdi Belhaj Kacem, Nika Dubrovsky, and Assia Turquier-Zauberman (Zurich: Diaphanes Anarchies, 2020), p. 157-158. Pagination from version hosted at Library Genesis <<http://libgen.rs/book/index.php?md5=69991DAA4E74D6FB4ADA51D5EA814899>>.

from that of a completely ruptural seizure and overthrow of capitalist states—whether grounded in electoral or insurrectionary measures—followed by a planned and unitary reconstruction of society (the “dictatorship of the proletariat”), to that of a very gradual process of economic and political transformation over many generations, in which the character of the economy changes together with that of the state. The long transition is not peaceful or smooth or blandly “reformist.” It is necessarily riven at all points by violent, quasi-insurrectionary clashes between the working class and the ruling class, between international popular movements seeking to carve out a new society and a capitalist elite seeking to prolong the current one. Given the accumulating popular pressure on a global scale, which among other things will succeed in electing ever more socialists to office, the capitalist state will, in spite of itself, participate to some extent in the construction of new economic relations that is the foundation of constructing a new society—even as the state in other respects continues to violently repress dissenting movements.

But the process of building a new economy will not be exclusively statist Transitions between modes of production take place on more than one plane and are not only “top-down.” In particular, as civilization descends deeper into crisis and government proves inadequate to the task of maintaining social order, the “solidarity economy,” supported by the state, will grow in prominence and functionality. A world of multiform catastrophe will see alternative economic arrangements spring up at all levels, and the strategies of “statist Marxism” will complement, or be complemented by, the “mutual aid” (cooperative, frequently small-scale, semi-interstitial) strategies of anarchism. These two broad traditions of the left, so often at each other’s throats, will finally, in effect, come together to build up a new society in the midst of a collapsing ancien régime. Crisis will, as always, provide opportunity.¹

Daniel Chavez, in Uruguay, also takes a nuanced view of the division of effort between social and political action, based on “my increasingly pessimistic interpretation of the outcomes of our progressive of [sic] left governments” in the so-called Pink Tide.

After having followed very closely the processes of Venezuela, Ecuador, Argentina, Uruguay and Brazil, and to a lesser extent also those of Bolivia and Nicaragua, I think we should ask ourselves up to what point is it possible for the left to get involved in government without losing autonomy and our utopian perspective. In other word: is it possible to operate within the state apparatus without being caught in the demobilising logic of institutional power? Unlike some of the friends I mentioned before, I don’t have a single or categorical answer to such question. I still believe that the state has a very important role to play, but I’m also convinced that it is now imperative for the left to get rid of its obsolete state-centric vision and open up to fresh perspectives like those of the commons.²

In actual practice, governments like those of Evo Morales in Bolivia and Chavez/Maduro in Venezuela, which officially proclaimed an alliance with social movements outside the state and avowed their support for popular, libertarian socialist, or horizontal institutions, instead wound up frequently undermining or sucking energy from such institutions, and pursuing the kinds of developmentalist or extractivist agendas typically associated with the authoritarian Left.³

As part of a possible solution, Chavez suggests importing aspects of the European municipalist model.

The side of the European left most active side [sic] in the promotion of the commons is that linked to struggles around the right to the city and the citizen platforms that won local office in several Spanish cities It’s not by chance that the fight against climate change or for the recovery of public services are led by networks of progressive local governments. *Barcelona En Comú*, the citizen coalition that now governs the Catalan capital, in particular, is a very powerful source of inspiration of

¹Christopher Wright, “Eleven Theses on Socialist Revolution,” *Socialist Forum*, Summer 2021 <<https://socialistforum.dsausa.org/issues/summer-2021/eleven-theses-on-socialist-revolution/>>.

²“The commons, the state and the public: A Latin American perspective. An interview with Daniel Chavez,” *tni*, August 1, 2018 <<https://www.tni.org/en/article/the-commons-the-state-and-the-public>>.

³*Ibid.*

regional and world importance.... Barcelona is today a laboratory for the design and testing of multiple initiatives inspired by the principle of the commons.¹

Even for Holloway, who abjured “taking power” in the very title of a book, pressuring the state from outside occupies a significant place in political strategy:

The problem of revolutionary politics is not to win power but to develop forms of political articulation that would force those in power to obey the people (so that, fully developed, the separation between state and society would be overcome and the state effectively abolished).²

Another enormously useful analysis is that of Rodrigo Nunes, who challenges the dichotomy between verticalism and horizontalism, and attempts to synthesize them as complements within a larger distributed ecology. He starts out from the perceived failure of the horizontalist struggles of 2011—the Arab Spring, M15, Syntagma, and Occupy—and their limits:

Said limits have been the object of much discussion: the fitfulness of those uprisings and their incapacity to sustain themselves over time; their inability to move on from the tactics around which they had initially coalesced, typically square occupations, and the decline in their capacity for tactical innovation as circumstances changed; their inability to scale up in a viable way, and tendency to fall apart when they tried to do so; their propensity to demand large investments of time and energy from participants in return for little by way of clear strategy and decision-making; their relative lack of rootedness and strength to defend themselves when repression came bearing down....

To highlight these internal limitations is obviously not to deny the magnitude of the external obstacles that they encountered: police repression, media blackout and misrepresentation, the unresponsiveness of institutions and political elites, let alone the inertia of existing economic structures. Ultimately, however, these are simply the obstacles that any process of social transformation will always have to surmount if it expects to win. More than cause for lamentation, relative weakness in the face of them must therefore be taken as a challenge: how can one grow powerful enough to defeat or disarm them? Doing so, in turn, demands overcoming internal limits....³

The proper approach is to abandon the fruitless sniping between horizontalists and verticalists, and treat both forms of organization as useful tools. The problem is, not to identify the one proper form of organization to be prescribed as the basis of praxis, to “search for an ideal organisational form that should be universally replicated or subsume all others. “but to treat organizational forms as a number of alternatives not only involving practical tradeoffs but coexisting as potentially complementary forms within a larger ecology.⁴

This shifts the conversation from ‘what form should all organisations have?’ or ‘what kind of organisation should subsume the whole ecology?’ to questions such as ‘how can different organisations complement each other?’, ‘what strategies can make the most of available resources and potentials?’, ‘how can one improve coordination without that necessarily bringing everything under the same roof?’⁵

Nunes distinguishes between “collective action” (coordinated action within an institution) and aggregate action (stigmatically coordinated action by individuals and affinity groups). He observes that where one is present, so is the other; the two together constitute a larger distributed ecology.

Collective action always has a cloud of aggregate action around it. But the converse is also true, and, if we examine in detail what, from a distance, looks like aggregate action, we will always find small clusters of collective activity in it....

¹*Ibid.* Steve Rushton makes a similar point about Venezuela at greater length in “Rebel Cities 15: Municipalism in Venezuela Offers a Pathway Beyond Authoritarianism,” Occupy.com, November 11, 2018 <<http://occupy.com/article/rebel-cities-15-municipalism-venezuela-offers-pathway-beyond-authoritarianism>>.

²Holloway, “Dignity’s Revolt,” p. 135.

³Rodrigo Nunes, *Neither Vertical nor Horizontal—A Theory of Political Organisation* (London and New York: Verso, 2021), pp. 17-18. Pagination reflects pdf conversion of epub version hosted at Library Genesis <<http://library.lol/main/DEo37C7FF5ADAE89F29BF5EFEE69CBF>>.

⁴*Ibid.*, pp. 21-22, 30.

⁵*Ibid.*, p. 22.

...[W]hile it is possible to distinguish between aggregate and collective action, in actual fact we will always find them intertwined. We therefore need a third name to describe this intertwinement, which is the real composition of every struggle or process of social change. Let us call it *distributed action*: the common space in which collective and aggregate action combine, communicate, relate and establish positive and negative feedback loops with one another. While it might lean more towards the collective or the aggregate, any real existing political process is always a mixture of the two. 'Distributed' indicates that, while it has no single centre around which collective action coalesces, it is not entirely dispersed or decentralised either; it has many centres operating at various scales and in different durations, from the very fleeting and informal to the long-running and rigid. The distributed bypasses the binary opposition between collective and individual as well as that between centralised and decentralised; it is all of those at once. In this way, it also cuts across W. Lance Bennett and Alexandra Segerberg's opposition between *collective* and *connective* action, in which the latter would be 'typically far more individualized and technologically organized ... without the requirement of collective identity framing or the levels of organizational resources required to respond effectively to opportunities'. In the terms that I am proposing here, what they call connective action is simply a kind of distributed action tending more towards the aggregate than the collective.¹

Rather than identifying the proper type of organization, then, Nunes argues that we must start from distributed action as "the point of departure for a theory of political organisation ..."

Historically, debates on political organisation have tended to have a prescriptive orientation: they asked what kind of organisation one should have in order to achieve one's aims, whatever those were. This also explains why those debates concerned themselves mostly with the question of organisational form: which one was the best (the party, the council, the network, and so on), what structures and procedures it should have, what kind of relations it should entertain with the masses ... To start from distributed action is to break with this tradition in two ways. First, distributed action is not a model to be realised, but what already exists; it is what happens anyway. Thus, instead of beginning with the question 'what ought to be?', one starts from what is and constantly tests the question 'what do we want?' against the more basic problem: 'given what is, what *can be*?' Second, to think in terms of distributed action avoids the hidden assumption in every reduction of the question of organisation to the problem of organisational form: the idea that there is a single form that should be shared by all organisations, or a single organisation to which everyone tendentially should belong. Instead, one takes ecological plurality as a point of departure, without supposing that it could or even should be homogenised or collapsed into a single entity at any point.²

Nunes does not deny in the least the danger that vertical institutions will concentrate power and take over the distributed ecology. This is a practical issue to be addressed.

As experience abundantly shows, beyond a certain point, accumulated *potentia* transmutes into *potestas*, which can then be turned against *potentia*. Practices and patterns of organisation eventually solidify into institutions, protocols, figures of authority, networks of influence, means of enforcement that concentrate and channel so much power that it becomes increasingly hard for individuals or groups of individuals to challenge or bypass them. For those who are in a position to control them, on the other hand, they are formidable multipliers of their own *potentia*, effectively making them capable of ruling over others and minimising, to the point of almost eliminating, the need to find compromises or to make themselves accountable. This concentration of collective investment in certain 'Archimedean points' endows them with a 'disproportion between efforts and effects: power [in the sense of *potestas*] is the fact that a barely whispered word can start a war, bring millions of people to the streets, bring down a government'.³

The moment people begin to collaborate, they are inevitably faced with the double question of how to make the most out of a collective power to act *and* how to guard against that power being turned against itself....⁴

The proper strategic approach is to start from the assumption of a mixed ecology, and then to seek the ideal mixture that simultaneously maximizes our capacity to act and mini-

¹*Ibid.*, pp. 47-48.

²*Ibid.*, pp. 50-51.

³*Ibid.*, pp. 59-60. (Quote is from Frédéric Lordon).

⁴*Ibid.*, p. 63.

mizes the danger of concentrated power. To think about organization ecologically, or to start from irreducible plurality,

is simply to assume, first, that plurality is a given, which means that the question of organisation is never about the one organisational form or the one organisation. Rather, it concerns the composition of different things, making them compatible with one another, making them *compossible*. This entails, secondly, the belief that plurality does have a value in itself, to the extent that it can be both a source of novelty and a guarantee against the concentration of *potestas*.¹

Between the two equally bad extremes of fatalism and voluntarism, the answer is always the same: *increasing our capacity to act*, which necessarily involves increasing our capacity to process and learn from the complexity around us.²

In other words, we must replace strategic thinking centered on identifying the proper institutional monoculture for universal adoption, and instead think of organization “ecologically”:

as a distributed ecology of relations traversing and bringing together different forms of action (aggregate, collective), disparate organisational forms (affinity groups, informal networks, unions, parties), the individuals that compose or collaborate with them, unaffiliated individuals who attend protests, share material online or even just sympathetically follow developments on the news, webpages and social media profiles, physical spaces, and so on. Whatever we totalise as ‘the movement’ is in fact a non-totalisable network made of several different networks, an evolving network ecology that is in turn nested in broader ecologies that overlap in various ways (the city, the nation, global capitalism, members of a certain class, speakers of a certain language).

The idea of thinking political organisation ecologically has been gaining traction in recent years. The very nature of the uprisings of the last decade certainly helped: mass protests with little or no input from mass organisations, full of moving parts with variable connections to one another and no general coordination....

Organisational ecology was implied in the practice of the women’s and gay liberation movements, both of which tended to treat their internal plurality as a given rather than a temporary condition to be overcome. Increased global and regional interconnectedness probably did as much to naturalise this way of thinking as the stasis, decline and fall of the nation-level organisations that had hegemonised the left for a long time. The larger the known universe of different initiatives became, the harder it was to imagine a situation in which multiplicity would not be the default. By the time the alterglobalist ‘movement of movements’ coalesced, its very diversity and global span made an ecological way of approaching it inevitable. So much so, in fact, that the question of whether it was even possible to describe it as a movement at all, or whether spaces like the World Social Forum ought to become organisations in their own right, were the object of endless debate. At least one important tactical innovation resulted from this, the principle of ‘diversity of tactics’: the practice, at protests against global summits like 1999’s ‘Battle of Seattle’, to organise in separate blocs that were free to pursue their preferred methods of action.³

Nunes calls for “strategising with a broad field of other agents in mind,” which in practical terms means (for example)

applying the principle of diversity of tactics not to simple problems like temporarily disrupting an international summit, but to complex problems like permanently shutting down an entire industry, which are even more likely to demand not a single tactic repeated a great many times but a combination of efforts from blockades to lawsuits, industrial action to corporate campaigns, mutual aid to changing legislation.⁴

As an example of the benefits of diversity of tactics, he cites Ward Churchill’s account of a conversation in which former Martin Luther King associate William Jackson told him:

There are a lot of reasons why I can’t get behind fomenting violent actions like riots, and none of ‘em are religious. It’s all pragmatic politics. But I’ll tell you what: I never let a riot slide by. I’m always the first one down at city hall and testifying before Congress, tellin’ ‘em, ‘See? If you guys’d been dealing with us all along, this never would have happened’. It gets results, man. Like nothin’ else,

¹*Ibid.*, pp. 72-73.

²*Ibid.*, pp. 184-185.

³*Ibid.*, pp. 193-195.

⁴*Ibid.*, p. 200.

y'know? ... Rap Brown and the Black Panthers are just about the best things that ever happened to the Civil Rights Movement.¹

“The first and most elementary” lesson from Churchill’s story, Nunes continues, is that there need be no kind of coordination or even direct contact among the different components of an ecology for them to interact with one another: by acting on their shared environment, they can indirectly shape each other’s fields of possibilities. This is a fact more usually acknowledged when that impact is negative, such as when some protesters are accused of ‘ruining a peaceful demonstration for everyone’, or those making the accusation are attacked for contributing to the movement’s criminalisation. It is obvious, however, that agents also create enabling conditions and opportunities for one another, and that their actions can become mutually reinforcing rather than detrimental. It is not just moderates that feed off ruptures created by radicals, consolidating gains while simultaneously foreclosing greater possibilities. Processes of political radicalisation normally rely on rights and resources, such as public services and organisational infrastructure, negotiated by moderates in previous struggles. An obvious example here would be the way in which social democratic parties in the Global North channelled upper-class fear of the Russian Revolution into the construction of the welfare state, and the welfare state then set the conditions for a flourishing of radical working-class culture and politics in the 1960s and 1970s. Besides, unless they think imminent revolution is on the cards, radicals will know that recognition from the state is often the only way to consolidate a victory once the mobilisation that made it possible starts to peter out.²

Nunes illustrates the same “good cop, bad cop” relationship to which William Jackson referred with a similar anecdote involving Dr. Martin Luther King Jr. and Malcolm X:

When Malcolm X visited Alabama in 1965 while Martin Luther King was in jail, he used the occasion to publicly emphasise his differences with the Baptist leader, but he also deliberately leveraged that distance in the latter’s favour. Later, King would recount a conversation that X had with his wife, Coretta, at the time: ‘He thought he could help me more by attacking me than praising me. He thought it would make it easier for me in the long run. He said, “If the white people realize what the alternative is, perhaps they will be more willing to hear Dr. King”’.³

The proper approach is to welcome independent efforts from others that further our own goals, and attempt to take them into account in our own strategy.

Any push in the direction of a common goal is in principle welcome, and we can support the process that leads to it even if we do not control it nor quite agree with its exact direction. If we want to make sure it is not led astray, we must ensure that we have the power to affect its course *while taking the utmost care not to put it in danger*.⁴

In short, “*functional differentiation* is one of the key features—and strengths—of an ecology.”⁵ Functional differentiation can be seen in terms of

the different kinds of intervention that groups and individuals specialise in. Some will define themselves primarily by engaging in direct action; others will do community or labour organising among a certain group, in a certain area or industry; some will build cooperatives or mutual aid initiatives; others will collect information and analysis around a particular issue; some will have specific knowledges and skills, like computer programming or corporate research; others will focus on raising awareness among certain demographics, lobbying policymakers, producing and distributing news and commentary, and so on. Some of those functions will be turned towards the environment, like the ones I have just listed, others towards the ecology itself (providing training, resources, legal support). Each group or organisation will no doubt do more than one of those, but none of them will do them all, or none of them will do them all *well*. They do not need to, in any case, if they have an ecology they can tap into when the occasion requires skills, capacities, contacts, resources, and so on that they do not possess.⁶

¹Quoted in *Ibid.*, p. 195.

²*Ibid.*, pp. 195-196.

³*Ibid.*, pp. 201-202.

⁴*Ibid.*, p. 202.

⁵*Ibid.*, p.196.

⁶*Ibid.*, p. 197.

The proper approach for members of an institutional ecology is to view their relations as a positive sum game, in which the “wealth” created by their cooperative effort is greater than the sum of their individual contributions.¹ The individual node’s attitude towards the ecology as a whole is that of a steward, contributing to the common wealth of the movement as a whole upon which all the nodes draw.

While institutional nodes are a helpful part of an overall distributed ecology, it is dangerous for any one node to become overly central to the overall ecology. Nunes compares the idea of a party exercising control over an entire functionally differentiated ecology to that of vertical integration in the business world.

If we abandon the goal of vertical integration . . . , no organisation or group needs to perform every function. What an ecology needs is a sufficient number of nodes that can do each of them well and are adept at visualising their work within a larger whole, eliciting contributions from others and offering theirs in return. To push the corporate metaphor a little further: instead of a single agent that controls the entire supply chain, a healthy ecology needs several actors that combine the ability to intervene at certain key points of the chain with the capacity to think the chain as a whole.²

Nunes also calls for reconceptualizing leadership in terms of function rather than position, and develops a theory of distributed leadership (or, as he once facetiously called it, “net-worked Leninism.”

An ecology is neither an assembly where everyone deliberates together, nor a mass that follows a recognised leader; it is the absence of either a recognised leader or a global procedure for collective decision-making. We are much closer to finding a model for it in the characteristics that Deleuze and Guattari attributed to the *pack* . . .

Though packs lack a fixed structure and a leader, ‘there is no more equality or any less hierarchy in packs than in masses, but they are of a different kind’. The leadership function is never fully stabilised in the hands of any individual, concentrated in a position or formalised into a selection procedure. At the limit, it is indistinguishable from the role played by the member on the edge of the pack . . . when it is capable of steering the group’s course at a given moment, pulling it in a new direction, changing its shape and structure as it goes. This does not mean that the leadership function has ceased to exist but rather that, instead of being fixed, it circulates.

This is an image of self-organisation and what exists in the absence of formal structures that is quite different from the usual talk of ‘horizontality’ and ‘leaderlessness’. In the same way that the opposite of formal organisation is not the absence of organisation, the opposite of concentrated leadership is not the absence of leadership, but a condition in which the leadership function is open to being occupied by different agents at different times. The pack is not leaderless, but leaderful. We can call this *distributed leadership* . . .

This supposes, of course, that we understand ‘leadership’ as something quite different from occupying a position in a hierarchy . . . The minimal concept of leadership implied here supposes that it is an *event*; at its most fundamental, to lead means nothing more than to be *followed*.³

... The less . . . consolidated [leadership] positions exist . . . , the more the leadership *function* is free to circulate.⁴

The adhocracy Nunes describes reminds me of an account of Apache leadership I read previously, as described by Ori Brafman and Rod Beckstrom. They cite historian Tom Nevins, who pointed out that in contrast to the Aztecs—who despite an advanced state with centralized controls fell quickly to the Spanish, the Apache “successfully wrested control of North Mexico” from the Spanish. “By the late seventeenth century, the Spanish had lost effective control of northern Sonora and Chihuahua to the Apaches.” The Apache were able to stave off conquest for centuries because “[t]hey distributed political power and had very little centralization.”

¹*Ibid.*, p.198.

²*Ibid.*, p. 198.

³*Ibid.*, pp. 210-211.

⁴*Ibid.*, p. 212.

The Apache fought wars on something like a p2p basis. An ad hoc, charismatic leader called the Nant'an, who had no institutional basis for his authority, would take up arms and lead by example. Geronimo, for example, simply declared war and was joined by volunteers.

The idea was, “If Geronimo is taking arms, maybe it’s a good idea. Geronimo’s been right in the past, so it makes sense to fight alongside him.” You wanted to follow Geronimo? You followed Geronimo. You didn’t want to follow him? They you didn’t. The power lay with each individual....

The Nant’ans were crucial to the well-being of this open system, but decentralization affects more than just leadership. Because there was no capital and no central command post, Apache decisions were made all over the place. A raid on a Spanish settlement, for example, could be conceived in one place, organized in another, and carried on in yet another. You never knew where the Apaches would be coming from. In one sense, there was no place where important decisions were made, and in another sense, decisions were made by everybody everywhere.

When the Spanish killed or captured a Nant'an, a new one emerged. The conventional strategy for defeating a state failed in the case of the Apaches “because no one person was essential to the overall well-being of Apache society.”¹

Indeed, Nunes himself cites Pierre Clastres’ study of Native American leadership as an example of a fluid, ad hoc leadership function.²

To return to our problem of how to incorporate verticality into a networked ecology without falling under the domination of overly powerful nodes, Nunes argues that

[t]he best that networks can aspire to is not absolute horizontality but a certain balance that prevents power from becoming too concentrated, thus making it possible for the leadership function to circulate, and for leadership positions to remain relatively under control In other words, the democratic potential of networks lies not in the fact that they are or can be perfectly flat or level, but in that their uneven distribution of power is dynamic rather than static—once again, force before form.³

Fortunately, technological and organizational trends have made this task less daunting. The rise of networked digital platforms with a many-to-many architecture, and the resulting “vertiginous drop in organising costs,” together have enabled “complex collective coordination on a scale that in the past could only have been achieved through mass organisations.” The outcome of all of this is that the “vanguard” function previously identified with hierarchical institutions like the Party has become distributed.

By radically amplifying the potential for cascading behaviour in social networks, greater connectivity has made it possible for compact groups, even lone individuals sometimes, to mobilise a long tail of less active nodes into actions that scale up much faster and to greater dimensions than even large rank-and-file structures would have managed in the past. Even a tiny organising core with no previous history is thus capable of exercising influence well beyond the size of its membership or reputation; small causes can produce radically disproportionate effects. This potential is in principle open to anyone provided the change they introduce into the ecology can reach an audience large or well-connected enough to spread it widely. In fact, it is perhaps open *especially* to those who are ‘no one’. Given the mood of generalised mistrust of institutions, representatives and leaders, heavily branded calls and demonstrations tend to attract less enthusiasm than those that appear to belong to no one and be open to all, in the same way that voters flock towards politicians seen as outsiders. Ironically, the historical moment that should have seen the ‘twilight of vanguardism’—the final decline of a certain type of organisation and politics—happens to also be the moment when the potential for occupying the role of vanguard has become most widely diffused....

Given all the baggage with which it is associated, it is easy to forget that ‘vanguard’ is essentially a relational concept. In the military context from which the metaphor originates, a vanguard is a vanguard only if there is something else that follows and eventually fuses with it. It is an advanced

¹Ori Brafman and Rod A. Beckstrom, *The Starfish and the Spider: The Unstoppable Power of Leaderless Organizations* (Portfolio, 2006), pp. 18-21.

²Nunes, *Neither Vertical nor Horizontal*, pp. 228-229.

³*Ibid.*, p. 219.

detachment', but only *temporarily*; unlike an elite, which seeks to remain in place, a vanguard should by definition exist in order to abolish itself.¹

The emergence of distributed leadership and the distributed vanguard functions, and the forms of communications architecture that made them possible, have also gone a long way toward solving the problem of overly powerful nodes taking over an ecology.

[Clastres's model] offers us a way of thinking how democratic control from below might exist in an unbounded order like an ecology, in which no universally recognised protocols or decision-making mechanisms exist.

The revolutionary tradition, its anarchist and councilist tendencies in particular, has, over the years, conceived several mechanisms through which bases could exercise some degree of control over their representatives: fixed mandates, rotation of functions, permanent recallability, a limit to the amount of times an official might serve. The seven principles put forward by Jo Freeman are also valuable guidelines: delegation of specific authority by democratic procedure, accountability, distribution of authority among as many people as possible, rotation of tasks and allocation according to rational criteria, equal access to information and resources. All of these, however, apply to bounded orders in which it is possible to agree on procedures and implement them. Today, the potentials afforded by digital networks mean that organising cores can choose to remain relatively small without relinquishing the prospect of producing large-scale effects. Not being driven by the imperative to recruit makes it possible for them to grow selectively, minimising the risk of incapacitating internal dissensus, keeping relations relatively informal, inhibiting some of the tendencies that lead to the creation of hierarchies. This makes them more supple when it comes to decision-making, capable of working out action plans faster and to greater detail than most general assemblies or large mass organisations ever could. But it also means that they are formally accountable to only a small membership, not the much larger zone of influence they might be capable of mobilising. How can control from below be exerted in this case?

The first thing that Clastres helps us see is, of course, that they are not completely unaccountable either. Being compact and lacking a fixed membership makes these groups more dependent on the 'good will' of others to get their initiatives off the ground. Like Clastres's indigenous chiefs, their prestige depends on remaining capable of originating, sustaining and supporting initiatives that are perceived as valuable for the ecology as a whole.²

So, on the one hand, the revolution in networked architectures and stigmergic coordination has reduced the hegemony of vertically organized institutions over larger movement ecologies, and at the same time reduced the danger from them.

The fact that it is possible today to satisfy functions that previously only mass organisations could perform while also minimising risks like bureaucratisation and top-down control creates negative incentives for a return to traditional forms. Even parties, whose formal variability is limited by the main function they perform (participation in elections and affairs of state), have started experimenting with formats that move beyond the template laid down in the nineteenth and twentieth centuries.³

But on the other, they cannot be dispensed with as part of the division of labor; they are necessary as a source of stability and continuity within the larger ecologies.

What is less clear . . . is whether solutions for other functions those organisations used to perform, such as designing strategies and sustaining struggles through downturns in mobilisation, have already been found. The evanescent nature of recent uprisings, flaring up and dissipating just as easily, suggests that the facilities offered by contemporary technology can equally act as hindrances. For example, while networked movements are in principle capable of innovating faster, much of that innovation might become stuck in the short term, proliferating quick responses that do not cohere into a strategy or fail to scale up to the size that would make them effective. Besides, because much of their fragile collective identity is constituted around a set of initial tactics and practices (counter-summits, square occupations, general assemblies ...), it is harder for them to agree on new tactics once police and state responses evolve. It is likely that longer-term thinking requires a degree of con-

¹*Ibid.*, pp. 221-223.

²*Ibid.*, pp. 229-230.

³*Ibid.*, p. 234.

tinuity over time that is only possible once organising cores have crossed a certain threshold of stabilisation.¹

A vibrant ecology does not depend solely on coordination and a collaborative mentality . . . It also requires organising cores to expand their zones of influence, develop social bases founded on strong ties and reciprocity, and generally increase their capacity to act (organisational consistency, skills, strategic nous, etc.). Strong local nodes with no coordination do not make a strong ecology; but as the alterglobalist movement discovered, neither does a densely integrated network whose local nodes are very weak.²

To anticipate my argument later in this chapter: if some things can only be done by parties, the answer is to build a firewall of sorts to limit the damage they can do to the rest of the ecology. That is, give them only conditional electoral support without alienating any authority to speak, act, or give away bargaining chips on behalf of the rest of the ecology.

Organizational ecologies, Nunes continues, vary in the topology of their “organizing cores.” An ecology with a generally weak organizing core will have a topology of “undifferentiated flatness,” with most actions being aggregate rather than collective; one that is highly concentrated will be dominated by “one hegemonic organization.” The most common contemporary topology is “weak, transient organizing cores.”³

‘Organising core’ is . . . a generic name for the nodes or groups of nodes that animate an area or network, performing the function of concentrating and orienting the collective capacity to act in certain directions, continuously or only occasionally. The label may thus be used indistinctly to talk about things occurring at different temporal and spatial scales, as well as different degrees of stability and institutionalisation. These may have a one-off, momentary existence, like the impromptu collective that organises a demonstration; become stabilised over time, like an informal but recurrent affinity group or the team behind a social media account; or take an institutional form, like a campaign, an NGO or a party. The longer they continue to act, the more stabilised they tend to become, both internally and in the perceptions of others. But this process might lead to any number of different organisational forms, and even no fixed form at all, such as when a relatively stable group of people intervenes in several different projects without ever presenting itself as a collective.

If the Spanish case is probably the closest that the 2011 cycle came to a ‘success story’, it is undoubtedly also because the ecology created by the explosion of the 15M movement developed in the direction of greater differentiation and specialisation of organising cores than elsewhere. Not even the turn towards electoral politics, despite introducing new centripetal dynamics around party organising cores, has managed to change that entirely . . . [T]he advantages of finding a balance of that kind should be obvious. On the one hand, the ecology is less at risk of becoming a dependent variable of a single organisation’s power dynamics, particularistic interests and political fluctuations. Since a highly centralised network is more susceptible to targeted attacks, whether repression or cooptation, less centralisation also means more robustness. On the other hand, the ecology possesses organising cores that are capable of inducing relatively large, complex and sustained effects, and yet are subject to some degree of diffuse control to the extent that their initiatives depend on voluntary adhesion and mobilising the ecology’s resources.⁴

Nunes—as I have done myself in my book *Exodus*⁵—draws on the platform as an analogy.

The activity of organising cores thus comes to resemble, figuratively and literally, that of contemporary capitalism’s most paradigmatic form of enterprise, the platform . . .

In platform politics, organising cores initiate collective action by inviting participation around a pre-established object (a target, goals, a narrative of where that fits in a broader picture), a set of protocols (type of action, levels of risk and commitment for participation, overall messaging and profile, ‘red lines’, hashtags) and some resources (visual identity, guidelines, downloadable materials, online forums, geo-localised maps, protest infrastructure, legal aid, press packs . . .). There is, of

¹*Ibid.*, pp. 234-235.

²*Ibid.*, p. 326.

³*Ibid.*, p. 235.

⁴*Ibid.*, pp. 236-237.

⁵Kevin Carson, *Exodus: General Idea of the Revolution in the XXI Century* (C4SS, 2021) <https://www.academia.edu/47513528/Exodus_General_Idea_of_the_Revolution_in_the_XXI_Century>.

course, a fair deal of variation as to what resources are provided and how vaguely or restrictively the objects and protocols are defined....

What is constant in each case is the logic of combining openness and closure, determinacy and indeterminacy, to variable degrees. The initial idea (a target, a demand, a theory of change, a tactic) establishes a basic framework that is widely replicable, while setting some limits to the range of deviation that it can admit. At the same time, this elementary structure is left sufficiently open for people to fill in the details, adapting it to their needs, profile and immediate reality, tracing their own paths out of the original proposal, making independent decisions.¹

Nunes neglects, in my opinion, some of the most common features of the platform—and particularly of the open-source platform, which is the most apt variant of the platform analogy. That is, its function is primarily that of a support infrastructure, or collectively available toolkit which can be stigmergically updated and expanded by individual contributors, on the model of Wikipedia—or, to borrow a trope that has persisted from Saint-Simon and Proudhon to contemporary anarchism, the administration of things rather than direction over human beings.

The distributed ecology of horizontal and vertical elements, with its variety of overlapping and competing nodes, is ideally suited to the needs of a postcapitalist transition that will likely be prolonged, nonlinear, and characterized by emergent phenomena beyond our ability to anticipate.

Inverting the positions of the two terms is also one of the consequences that we could draw from the 'flexible strategic pluralism' advocated by Erik Olin Wright. If we think of systemic change as a combination of reformist (symbiotic), alternative-building (interstitial) and revolutionary (ruptural) logics, we can picture it as a process of 'transition' which, against the connotations that the concept has accrued within the Marxist tradition, is non-linear, uneven and conflictual instead of continuous, homogeneous and managed from above.

It is conceivable that, if it could act fast enough and with sufficient force, a strategy following a single logic of transformation could beat the system's inertial tendencies without disorganising social reproduction to the point of threatening most people's survival. Starting from the right critical size, symbiotic forces could modify capitalism quicker than it could co-opt them or mount a backlash; interstitial initiatives could produce a working alternative to existing circuits of production and reproduction before these were able to absorb or marginalise them; a ruptural surge could institute wholly new social forms before the disruption of everyday life became unbearable. Sadly, one cannot count on starting from the right critical size. The alternative is to conceive a process in which destruction, construction and repurposing happen in parallel, and rupture as well as mediation take place at different scales at the same time. This is not a 'transitory society', if by that we understand a social formation instituted in the aftermath of a major disruptive event to mediate between the social formation to be destroyed and the one to be created by combining characteristics of both. Rather, what we have here is a plurality of timelines and rhythms of change running at variable speeds, an irregular patchwork of continuities and discontinuities that do not miraculously combine to produce structural transformation but are the object of a *constant, deliberate effort to play them both in support of (to reinforce) and against (to correct the course of) one another*. If the challenge of transition is essentially that of managing the velocity of transformation—not so slow that one cannot escape the reproduction of existing social forms, not so fast that social reproduction completely breaks down—the question here becomes one of coordinating multiple temporalities. This means that the problem of fitness² is posed not once, in general, about the mediation between two historical stages, but multiple times and by multiple agents. It is, so to speak, fractally distributed across strategies and scales, and is equally asked of the relations *between* strategies and scales so as to test their compatibility: a change that 'works' for some people in some place must not prevent change elsewhere, let alone entrench existing patterns of oppression and exploitation.³

¹Nunes, *Neither Vertical nor Horizontal*, pp. 237-239.

²i.e., the ability to act effectively "in an existing conjuncture," "to address widely shared concerns, to speak to existing interests and desires . . . , to gather support and build a broad social base, to target weak spots and concrete points of pressure and leverage efficiently, to set in motion processes endowed with their own transformative momentum, to effectively pose itself as a mediation, or series of mediations, between some future state and the present." *Ibid.*, pp. 280-281.

³*Ibid.*, pp. 328-330.

If this chapter can be summed up in a single statement, it is that, while we do not rule out engagement with the state, we do so only as the lesser part of a dual strategy.

I am, to put it mildly, unconvinced by Ana Cecilia Dinerstein's optimism in regard to leftist parties in power embracing and facilitating the prefigurative vision of grassroots movements. It makes more sense to use them as a means to an end, rather than treat them as an equal partner. And while it's possible they may facilitate genuine transformation in a way that complements an interstitial strategy, it is best not to trust them to do so—and, above all, not to make our own strategy *dependent* on their doing so.

For a dual track strategy to work, it is necessary to 1) endorse leftist electoral movements only critically or conditionally, without offering any commitment or alienating our future initiative, or delegating any power to speak on our behalf; and 2) to welcome reforms that strengthen our position or improve the material situation without offering any such commitments in return.

What does this mean, in practical terms? A comparison of the experience of the solidarity economy movement in Jackson, Mississippi, to that of Syriza and the Bolivarian communists is instructive. In Jackson, there was the growing split between the administration of Mayor Chokwe Lumumba and the grassroots Cooperation Jackson movement. This is a much more hopeful example than the previous three, because the electoral movement has been unable to coopt the social movement, and the latter—with its vital ecology of counter-institutions—has refused to concede leadership to the electoral arm.

In my opinion, the key to a division of labor is adopting ahead of time an understanding aimed at preventing political parties from sucking the energy and life out of the counter-institution building effort in civil society, and diverting it instead into parliamentary politics. The solution is to establish ahead of time that the primary axis of post-capitalist construction is interstitial, i.e., actually building the successor society here and now. Electoral politics and participation in the policy process is entirely secondary and auxiliary.

But it requires a realist approach to the division of labor, which will persist regardless of whether the political arm achieves state power. The social movements must be firm in their understanding that their purpose is to construct the successor society within the interstices of the existing one, through the creation and development of counter-institutions, regardless of who controls the state. And they must be openly resolved not to defer to the party in power, even if it is an offshoot of their own movement, or allow it to constrain their range of alternatives. As Bollier and Helfrich put it,

social movements are more likely to be transformative if they develop parallel economies with *structural independence* from the conventional market/state. This means also that commons are more likely to survive and retain their independence if they are *less* entangled with the conventional economy and state power, and if they can rely on internal systems (Peer Governance, knowledge-sharing, federated support from other commoners) for resilience. At the same time, it is imperative to engage with state power through elections and traditional advocacy, if only because that field of action can change the conditions for widening spaces of commonality. It is too consequential to be ignored.

So commoners need a two-track mindset in dealing with state power: a primary focus on building the new—keeping the conceptual insights above in mind—while also attempting to neutralize the old.¹

The electoral or revolutionary party must be made to understand, even while it is still an opposition party with no immediate hope for power, that the social movements and counter-institutions will not recognize its authority to restrain their efforts at interstitial construction. The political arm's main purpose, in or out of power, is to run political interference on behalf of the social movements and secure them the space for independent action. The political and social arms must both operate from the explicit understanding that the latter will al-

¹Bollier and Helfrich, *Free, Fair and Alive*, pp. 300-301.

ways maintain their entire independence from the political arm, and will not be bound by any concessions made by the political arm (as when Syriza threw the Syntagma movements under the bus in its negotiations with the European Central Bank).

We should note that the question of cooptation is itself very much dialectical in nature, depending heavily on the background situation.

From a certain perspective, things like Rockefeller and Ford Foundation funding of counter-institutions or establishment of friendly ties with grassroots movements, and government sponsorship of solidarity economy projects, can arguably be seen as a positive sign. Depending on the shifting correlation of forces, and which of the respective systems is in the ascendant or decline, such attempts to buy access may reflect a strategy less of cooptation than of “being eaten last” (although the two aren’t mutually exclusive).

The most likely possibility in my opinion is that the liberal or progressive wing of capital sees itself as part of a system in decline, and wants to retain as great a range of options as possible. For them the best case scenario is indeed cooptation: to enclose the solidarity economy within the institutional framework of a social democratic model of capitalism, and use green technologies as the basis for a new engine of accumulation or Kondratiev long-wave (in return, of course, for a more robust social safety net and a floor under working class purchasing power). Although this is unlikely to exist as a stable, long-term possibility, they’ll take it if they get it.

Failing this best-case scenario, there are fall-back positions with progressively smaller rates of profit and masses of capital, with progressively shrinking nuclei of the overall economy governed by capitalist logic. In the worst case—in which the capitalist system is ring-barked and certainly doomed, even if not in the immediate future—they’ve bought the access with which to negotiate a peaceful transition and the survival of their privileged lifestyle for the duration of their and possibly their children’s lives.

But to minimize the risk of cooptation, interstitial movements should not count or depend on such negotiations as the basis of a transition scenario. And the representatives of the capitalist state, corporations, and nonprofit foundations should always be put in the position of courting the movements rather than the other way around. Above all, those engaged in interstitial construction should carry out the actual construction work in exactly the same way regardless of whether ostensibly “friendly” parties are in power, preserve their absolute freedom of movement, and be prepared to carry on regardless of what deals the “progressive” party in power may cut with capital.

The most the interstitial movements should offer is an endorsement at the polls, conditional on non-interference in their own work and the creation of the most favorable environment for that work which is reasonably possible. In return, the radical movements offer the progressive electoral party the most indispensable of services: that of the “bad cop.” Progressive electoral actors, in negotiating with the United States, IMF, EU, European Central Bank, the Republicans in the Mississippi state legislature, or whomever, will be able to say “If you don’t play ball with us on moderate reforms, you won’t like what those crazy people in the streets do on their own.”

Resistance: The Third Track? We should also consider whether this two-track strategy should be expanded to three—or at least two and a half—tracks by the addition of direct self-defense capabilities. That is, whether, in addition to the interstitial construction of a counter-system and electoral engagement to create a favorable political environment, we also need independent capabilities for resisting repression in our own right. I leave open the possibility that it’s only a half track because the system of counter-institutions described above, as a base for independent subsistence, are arguably a major component of any defensive capability.

Although I have justified electoral engagement as a defensive measure, to stave off the threat of fascist repression, sole reliance on such engagement with no independent defensive capability of our own seems foolhardy in the utmost.¹

Based on precedents such as the Paris Commune and general strikes against fascism, Atlee McFellin writes:

Constant warnings of constitutional crisis means that defeating fascism at the ballot box is essential, but also fundamentally insufficient for the cause of multi-racial democracy and socialism. The elections of 2022 and 2024 could lead us down the path of a possible quasi-constitutional fascist coup. Without our own systemic alternative as dual power rooted in mutual aid and the solidarity economy, including to sustain an uprising, we could again be dependent upon the Joint Chiefs of Staff and the military to supposedly save democracy in a “color revolution” inspired by the CIA. Instead of repeating the mistakes made as other republics declined and fell, we have the chance to build an alternative as communes of resistance in process of formation from the midst of crisis.²

Frances Fox Piven and Deepak Bhargava speculated in August 2020 that Trump might attempt to forcibly hold on to power.

To steal the election, we suspect he will adapt the standard playbook of authoritarians everywhere: cast doubt on the election results by filing numerous lawsuits and launching coordinated federal and state investigations, including into foreign interference; call on militia groups to intimidate election officials and instigate violence; rely on fringe social media to generate untraceable rumors, and on Fox News to amplify these messages as fact; and create a climate of confusion and chaos. He might ask the Justice Department and the Department of Homeland Security—which he has now weaponized against democracy—to deploy to big cities in swing states to stop the vote count or seize ballots. If he does all this right, he’ll be able to put soldiers on the streets, inflame his base, and convince millions of people that the election is being stolen from *him*. This would create the predicate for overturning the will of the voters.

The implication was that for Trump to be stopped, most Americans would have to be “willing to put their trust in people power—rather than courts, norms, and elites—to save democracy.”³

Some measures are obvious: the most immediately associated with “defense” in the conventional sense, like e.g. defense militias, safe house networks, provisions for secure communications, etc.

Likewise fairly obvious are general strikes (especially by workers in essential categories like logistics and transportation) combined with mass action in the streets, as a reaction to any violent or extra-legal seizure of power. Equally disruptive are the prospects of rent and debt strikes.

Not so obvious, perhaps, is a broader range of options for making the resistance capability “thicker” and more robust, and to supplement the defense with offensive capabilities.

At the strategic level, this means keeping the system off-balance, swarming it through superior mobility and initiative. The ostensible defeat of Occupy, with police dispersal of its encampments in cities across the United States in November 2011, raised the prospects of just such a strategy. This seemed like a moral defeat in one sense. But in another sense, it opened up an opportunity—one which Occupy, unfortunately, failed to take advantage of—for transition into a more materially effective offensive strategy.

When the camps were shut down there was considerable speculation that, no longer being tied down to central locations, they might switch to an agile strategy that would put the corporate state on the defensive. More specifically, this would mean mobile swarming attacks on local targets with high moral value, with rapid concentration followed by rapid dispersal.

¹This section was largely inspired by conversations with Dr. Matthew Quest.

²Atlee McFellin, “Revolution in an Age of Resurgent Fascism,” *Hampton Institute*, December 23, 2021 <<https://www.hamptonthink.org/read/revolution-in-an-age-of-resurgent-fascism>>.

³Frances Fox Piven and Deepak Bhargava, “What If Trump Won’t Leave?” *The Intercept*, August 11, 2020 <<https://theintercept.com/2020/08/11/trump-november-2020-election/>>.

For example, swarming Mayor Bloomberg, NYPD leadership and senior management of Wall Street banks at home, church, restaurants, country clubs, etc. Occupy Oakland exploited their superior mobility in an entertaining way, when blocked from returning to their encampment, by randomly marching all over town and leading police on a wild goose chase—and then, when cops finally got bored and dispersed, immediately heading back to their encampment. Although they failed to exploit the potential of the tactic and eventually abandoned it, Occupy activists initially experimented with showing up at random targets to move homeless people into vacant bank-owned houses, to resist foreclosures, etc. Had Occupy fully embraced such expedients on the same scale as their previous strategy of mass demonstrations, the enemy would have been forced into an almost entirely defensive position.

The contrast between a defensive strategy (in which the points of engagement are determined by the enemy) and an offensive one is especially clear when it comes to the infrastructures of the capitalist system. Let's take the Dakota Access Pipeline as a case study.

The Dakota Access Pipeline project has been most morally vulnerable at Standing Rock. But its physical vulnerability is a different matter altogether. The pipeline project is physically most vulnerable, not where the opposition to continuing its construction is most visible, but where it has already been completed. The Standing Rock protests have held up completion of the pipeline itself. But whether or not it's completed, a completed pipeline that doesn't transport oil is as good as no pipeline at all. Better, in fact, because it's a sunk cost on the balance sheet and a lesson for those considering similar projects in the future.

John Robb's concept of the "Systempunkt," which he initially developed in the 2006 book *Brave New War*, is extremely relevant here. It's based on the concept of *Schwerpunkt*, from German *Blitzkrieg* warfare theory. The *Schwerpunkt* (hard point) was the point in the enemy's defenses, which, having been breached, would enable mobile armored and mechanized forces to quickly penetrate the front lines, fan out in operational depth, cut supply lines, and break up and encircle the enemy's forces from the rear. This might well totally neutralize an entire enemy force with the majority of its divisions never even experiencing combat—basically the diametric opposite of the kind of attrition warfare on continuous fronts that predominated in WWI.

Systempunkt applies the same general concept to the points of failure within a complex system—to take the case most relevant to us, the vulnerable nodes within a networked physical infrastructure. Destroying the entire physical infrastructure itself—as the Western Allies' strategic bombing campaign over Germany attempted to take out entire rail lines, power grids, industries, etc.—is enormously costly. But in fact it's possible instead to destroy a handful of key nodes or create points of failure—amounting to less than 1% of such a physical infrastructure, to render it non-functional at several orders of magnitude less cost. Destroying a few relay points or transformers in a power grid, bottleneck inputs in an industry—or pumping stations in a pipeline network—can have the same practical effect as destroying the entire grid, industry or pipeline altogether. When the points of failure are many, and any single one or just a few of them can incapacitate the whole system, the enemy will be spread too thin to guard them all adequately—even at enormous cost. But achieving local superiority to attack any point of one's own choosing will be far cheaper.

I'm not a pipeline engineer, but I suspect an infrastructure like the Dakota Access Pipeline has many, many potential points of failure—far too many to distribute adequate guard forces among—that would shut down the entire system. Preferably without causing a leak, but with significant cost increases and supply disruptions. To the extent that pipeline cybernetic control systems are subject to remote access, the U.S. Stuxnet virus attack on Iranian fuel enrichment reactors, and the recent "Internet of Things" hack, may be instructive examples.

Besides such actions on the physical failure points, moral points of failure are also a target rich environment. Remember the earlier possibility of embarrassing Bloomberg and bank executives where they live and socialize. I suspect Sunoco Logistics and Energy Transfer

Partners executives also have suburban homes and go to churches, restaurants, theaters and country clubs. The traditional public greeting for military industry executives in the Vietnam years was baptism in red paint. So what would it be in this case—oil?

Global corporate capitalism's two biggest Systempunkts are probably finance and logistical infrastructure. We've already considered the potential for debt and rent strikes—either or both of which, with a significant popular minority participating, would cause the banks and real estate industry to implode.

In the case of logistics, consider the effectiveness of the Boycott Divest Sanction (BDS) movement's blockade of Israeli merchant shipping in the Pacific Northwest ports, and the partial cooperation of trucking and longshoremen's unions. Consider the flight attendant union's threat to shut down the airline industry if Trump attempted to overturn the election and forcibly hold on to power. Consider the vulnerability of the just-in-time distributed economy to even a partial walkout by Amazon warehouse workers or postal workers.

These are all capabilities that can be held in reserve, as credible threats to be taken as counter-measures in the event of state repression.

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